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Formulating a Systematic Approach to Strategic Marketing of a Rehabilitation Workshop

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This paper is an attempt to develop a systematic approach to marketing the capabilities of a vocational rehabilitation workshop. The anticipated result will be a reduction in the amount of downtime experienced by many workshops.

The format will be as follows:

1. Examine the components of a comprehensive marketing plan.

2. Analyze from the survey result what factors interact with downtime.

3. Design a strategic marketing plan for the Kennedy Center Workshop.

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Preface

The author had the experience of being a member of the marketing team of two different vocational rehabilitation centers, each for over three years, for a combined total of seven years. During this course of time, the author had observed numerous workshops and attended many seminars relating to Marketing. Of paramount interest to every workshop was the concern of how a workshop can maintain full employment and eliminate down-time.

The methodology of how to develop and incorporate strategic marketing for a workshop is relatively untouched in marketing literature; there is no applied work. This study was undertaken to shed some light on this particular subject. Many writers expound on the relative merits of marketing; but, none examine how to apply techniques to non-profit workshops in any depth.

To uncover the workshops' marketing effectiveness, a questionnaire was developed and sent to thirty-five workshops in the New England area. The survey was designed to disclose the marketing components necessary for maintaining full employment for the workshops' clients.

The underlying hypothesis is that the more sophisticated and aggressive a workshops' planning system, the more successful it would be in eliminating down-time.

The author is indebted to the many workshops who responded to his survey. The percentage of returns was higher than what

one would expect, which the author attributes to the usual comradeship that eminates from these Human Service Agencies. Of the thirty-five workshops that received the questionnaire, twenty-five responded with a completed form.

The author wants to extend an acknowledgement to the influence that two long-time friends have had in making him aware of the value and fun of learning, even though neither one of them has directly contributed to this paper. Mark Dixon, former LaSalle colleague who never ceased emphasizing the point that "it's not what you say or do, but, how it's done or said." And, Mark Ashe, a blind man who gave me an education in 'hussle.' His energy has long been an inspiration to the author.

The author owes a debt of gratitude to his wife, Mary Ann, and his beautiful daughter Nicole to whom he dedicates this paper.

CHAPTER ONE

INTRODUCTION

Every company across this nation has difficulty maintaining full capacity. Certainly for many this is not an objective; but, simply a byproduct in its quest for obtaining profits.

In the early days of American industry, there was even less concern for a stabilized work force. In turn there was also less need for planning. When orders became heavy, the owner of the business generally visited neighbors who had carving tools, saws, and files and knew how to use them. These friends were prevailed upon to leave their farm work for a while until the backlog of orders were reduced to normal. Since materials were simple and abundant, no long range procurement program was required. And, because the work force was readily available, there were little worries about obtaining temporary help.

As industry became mechanized, industrialists gave though to the material aspects of planning. They built factories and bought machines; they laid in stocks of materials or sought reliable suppliers. However, they still filled their plants with labor on a day-to-day basis. When orders poured in, they hired new people with little or no training and, at the lowest going wages. When business lagged, they laid off or dismissed employees.

Presently in many companies all this has changed. Industry projects its' sales forecasts as far as possible into the future; plans for the completion of building construction are made one, two, or even three years in advance. Complex machinery is often ordered months or even years before it will be used. Sources of raw materials are found and placed under contract well in advance of production. Supplies of labor are appraised or developed; and, employees are trained so that they can go to work as soon as buildings and machines are ready.

Our society has changed significantly from our early industrial years. No longer can our work forces return to the farm if the factory employment ceases. And, no longer does an employee seek short-term employment; but, in fact, his quest is for a long-term relationship. In his quest for a career, he will investigate the employers record for maintaining full capacity - his job security.

Many companies will try to maintain a steady work force. When confronted with increased business, they will pay overtime to regular employees rather than to add new ones before the increase is assured. Or, they will contract out to subcontractors part of the operation to help process orders. This will prevent the peaks and troughs of yesteryear.

So to, companies at times will carry a larger inventory of

finished goods, or, increase their sales force as a means of maintaining uninterrupted employment

Another measure used to obtain this objective is a strategic marketing plan; that is, a systematic approach of directing the company in its preparation for tomorrow. It is especially necessary to have such an approach suitable in this volatile and unstable environment of the 1980's. With the Federal Budget in turmoil; the economy sliding toward a depression; with individual industries such as auto, steel and retail in turbulence; up against odds like this, a marketing plan is everything.

Few today would simply wait for orders to rejuvenate their companies' production; nor, would they solely follow their competitors, or guess what the customers may need a few years hence. Companies are placing their bets on an aggressive strategy that should orient them toward the future - not in the sense that every condition can be anticipated, but, in the sense that the firm directs itself consciously or systematically to new objectives, based on realistic methodical analyses of its own structures and processes of the environment in which it operates.

The savvy planner today has sophisticated methods for tracking market shares and discerning the effects of pricing, advertising, and sales promotion on his future. Now planning often includes the role of the field sales force in reaching market goals. There are more controls built into planning

function to allow reviews and alternations when necessary.

It is the object of this paper to show that the marketing tool of strategically planning and mapping out an aggressive attack on a company's future - in particular rehabilitation facilities - can benefit the facilities by reducing the number one problem affecting workshops; that is, an inadequate work log to support a steady work force.

Significance of the Study

The growth and technology of the twentieth century has produced dynamic change and innovations in all fields of modern business. Marketing techniques have been updated with the latest in analytical research models. Coupled with the emergence of the computer as a business tool, today's marketing representatives are equipped with an arsenal of powerful weapons for dealing with the intricacies of day to day business.

Yet, despite the presence of these aides, the positions of workshops are often precarious at best. For example, at the time of this writing, the author can cite two workshops in the immediate area who are suffering from down-time.

In each case these questions arise: Why did this develop? What steps must be taken to insure that a similar situation does not occur in the future? To begin to answer these questions, the point of responsibility must be determined. This burden often descends upon one person, the sales representative, who is

equipped with a business card and a lot of hope.

In some workshops there is not even a sales representative. Procurring work may be the assigned task of a truck driver. In mostly every case, the vocational rehabilitation workshop has not kept in tune with modern marketing techniques, and is suffering accordingly.

"An ongoing shortage of meaningful work for clients is demoralizing and can, to a large degree, significantly emasculate the rehabilitation program. A work shortage can be destructive in a number of ways beyond sapping morale and making the rehabilitation process impotent. It makes budgeting farcical and can eventually cause the entire workshop to go 'belly up' for lack of sufficient income."[1]

Hypothesis

It is the hope of this study to prove that the successful workshop, that is, those that have a near-zero downtime rating, have incorporated more marketing techniques than those workshops that are suffering a higher rate of downtime. That is to say, it is anticipated that the unsuccessful workshops are simply sending out a person to knock on doors; whereas, the successful workshops are planning marketing strategies and actions in a coordinated and systematic manner.

1. E. J. Malone, The Complete Marketing Manual for Sheltered Workshops, (Malone and Associates, Westport, N.J. 1977), P. 5

First, this paper will present an overview of a strategic marketing plan with the ultimate perspective of how to begin formulating one. Then it will examine each of the elements of a strategic marketing plan in more detail.

After which, the results of the survey will be inspected. If the hypothesis is to prove true, the workshops that have incorporated only a few elements of the marketing plan that is presented in this text will have less positive results at reducing downtime than workshops that have a more aggressive marketing department.

The Scope and Limits of the Study

This study will attempt to examine a vocational workshop's marketing processes and success ratio. Its' scope will be confined to organizational structure and relationships, responsibility and performance evaluation, and marketing techniques. Thus, the investigations' finding should permit a reader to answer such questions as: To what extent does a workshop incorporate modern marketing techniques? Do they structure the marketing technique properly? How successful are they at reducing downtime?

The work is limited to New England vocational rehabilitation workshops so that it can be performed in the scheduled time, and, because of the modest budget available.

The Procedure

The workshop data will be obtained from questionnaires sent to thirty-five New England Vocational Rehabilitation Workshops. The data will be analyzed with the help of the Strategical Package for the Social Sciences' computer program, located at the University of Bridgeport. Each returned questionnaire will be plotted and compared against the results of the other workshops. Successful workshops should be those that report a near-zero downtime. An attempt will be made to develop a quantitative model for predicting downtime using factors of marketing and production indices.

Definitions

Vocational Rehabilitation Workshop - A community agency, dedicated to increasing the potential of its clients or handicapped workers.

Downtime - The period of time a workshop has no contracts and its clients are idle or are participating in recreational activities and not remunerative operations.

Client - A handicapped worker who is participating in the overall program provided by the vocational rehabilitation workshop.

CHAPTER TWO

PREVIOUS STUDIES

"As products of our culture, 841 work activity centers exist throughout the United States."[2] "A work activity center is defined as a facility which develops the life-coping skills within severely disabled individuals in order that they may become more independent in their home community."[3]

One of the major difficiencies of the work activity center has been the inability of the center to provide full and beneficial employment for the clients that attend there.

Many problems have been cited in reference to this inability, including: "the lack of adequately trained staff,"[4] "the absence of a true work environment,"[5] "the absence of an opportunity to interact with non-handicapped workers, and the overall inadequacies of the work necessary to support the work force."[6]

2. Greenleigh Associates, The Role of the Sheltered Workshop in the Rehabilitation of the Severely Handicapped,(Washington, D.C.: Dept. of H.E.W., 1975)P. 10.

3. Brolin, D. E., Vocational Preparation of Retarded Citizens, (Columbus, Ohio: Charles E. Merrill, 1976), P. 41.

4. Greenleigh, op. cit., P. 21.

5. Levy, S. M."The Debilitating Effects of the Habilitation Process,"P.D.A.S. Monograph,(Seattle, Washington, University of Seattle; 1980,)P. 9.

6. Pomerantz D. and Marholin D. "Vocational Habilitation," Educational Programming for Severely and Profoundly Handicapped, (Reston, Virginia; Council for Exceptional Children, Department of Mental Retardation 1977), P. 14.

While each of these problems present major obstacles to the vocational development of the clients served by the Work Activity Center, none seem more functional than the inadequacies of the work necessary to support the work component.

The majority of work that comes to Work Activity Centers comes in the form of subcontracts. These subcontracts represent work procured from business or industry that is completed in the workshop, and, in turn, returned to the contractor. The subcontracted work typically procured for the centers has been severely criticized for a variety of reasons. Gold asserted that subcontracts usually are composed of very menial operations with the lowest of remuneration for the workshop clients.[7] In a similar vein, Stanfield reported that in a survey of 120 graduates (moderately retarded) 40% of the graduates were in a sheltered workshop, 80% of those in the workshop were earning less than $10 each week for a full day's work, while an astounding 50% earned even less than $5 per week.[8] Other researchers reached

7. Gold, M. W. "Research on the Vocational Habilitation of the Retarded - The Present, The Future." In N. R. Ellis (Ed.) International Review of Research in Mental Retardation, Vol. 6. (New York; Academic Press, 1973), p. 60.

8. Stanfield, J. S. "Graduation: What Happens to the Retarded When He Grows Up?" Exceptional Children, (1973), pp.39,549.

similar conclusions and, in addition, labeled the work as simple, routine, and unchallenging.[9,10,11]

Gold presented several reasons for the lack of quality and remunerative subcontracts. Among them are the following:

1. The lack of a full-time sales person.
2. The Staff's lack of confidence in the client's ability to perform more meaningful tasks.
3. Business and industry's lack of confidence in the client's ability to perform meaningful tasks.[12]

In the same context, in my interviews with many workshops, a common rational for the inadequate number or quality of contracts was that they did not have enough people to 'beat the bushes' or 'knock on doors.'

Again, after reviewing the existing literature and interviews, workshops' first major complaint is that full capacity is not being maintained. Secondly, the contracts are poor in quality in terms of remuneration or challenge.

9. Brolin, op.cit., p. 45.

10. Greenleigh, op.cit., p. 14.

11. Power, D. W. and Marinelli R.P., "Normalization and the Sheltered Workshop." Rehabilitation Literature, (1974), Vol. 35 (3), p. 71.

12. Gold, op.cit., p. 65.

There is very little literature on how to resolve these problems. One book is quite informative: The Complete Marketing Manual for Sheltered Workshops., by Malone. However, the manual stresses: "the key to success is found in the selection of a marketing director with many years of multimarket managerial level experience." But, for many workshops this is unattainable due to the entry-level salaries that can only be offered by the workshops.

One point that cannot be argued is that the more marketing techniques that can be formulated and implemented by the workshop, the better off it will be. Certainly better off than simply hiring a sales representative who can knock on doors and is capable of little else.

I do not mean to cut selling short. Far from it. But, selling is not marketing. "Selling concerns itself with the tricks and techniques of getting people to exchange their cash for your product. It is not concerned with the values that the exchange is all about. And it does not, as marketing invariably does, view the entire business process as consisting of a tightly integrated effort to discover, create, arouse and satisfy customer needs. The customer is somebody 'out there' who, with proper cunning, can be separated from his loose change."

13. E. Malone, op.cit., p.7.

14. Levitt, T., "Marketing Myopia," Harvard Business Review, Cambridge, Mass., Vol. 38, (July-August), 1960, p. 46.

The marketing concept holds that the problems of all businesses in this age of abundance are in developing customer loyalties and satisfaction, and the key to these problems is to focus on the customer needs. Perhaps it can best be summed up in that the short-run problem of a workshop may be seen as simply needing to sell a contractor on buying its services; but, the long-run problem is that it needs to create a service that a contractor will need.

What this necessitates for a workshop is a plan that will mesh the needs of two groups. First, the needs of the clients, who they are serving in the aspect of providing remunerative contracts. Here, the objective is to obtain challenging, quality contracts on an on-going basis - avoiding downtime.

Secondly, the workshop must identify and service the needs of its customer base who are supplying the agency with work. Here, the objective is to create a value satisfying service that its customer base will want to buy. Meshing these objectives requires detailed planning from a variety of personnel at the workshop. Such a plan is normally drawn up in a format of a strategical marketing plan, (which does not necessitate a top-notched marketing director); and it is implemented by the working efforts of a marketing team as delineated in the following pages.

CHAPTER THREE

OVERVIEW OF STRATEGICAL MARKET PLANNING

The motivation for strategic action is highest in a volatile, unstable environment. For that reason, the search for a more systematic approach to strategic management of the work load at a Vocational Rehabilitation Workshop seems especially timely.

It is the same story in every workshop. . . "We have work today, but I cannot say sure for tomorrow."[15] Or, "It's up or down, we'll be so overloaded with work that we'll be turning down contracts, or, we'll be scrounging to do anything at any price."[16]

Similar situations occur in business life, but, probably less dramatically or chronically than in the workshops. Production may be rolling along, but without relevance to future demands and realities. Or, vice versa, businesses may be disappointed by current stagnation, although their path for tomorrow is well prepared.

Preparation for tomorrow is the key. It is the essential purpose of any strategic action. Its objective is simple - orient the workshop toward the future - not in the sense that every

15. Statement by John George, Marketing Representative, Goodwill Industries, Bridgeport, Ct., Feb. 15, 1982, personal interview.
16. Statement by Jim Meehan, Goodwill Industries, New Haven, Ct., June 30, 1982, Personal Interview.

condition can be anticipated, but in the sense that by conscious and systematic examination of the shop's structures, processes and environments, the agency can create its' own future objectives. In other words, the future of a workshop cannot be predicted; it must be created!

Many businesses use strategic analysis like radar - they scan the surface. This tool, like radar was felt to be needed by large corporations dealing with global issues of structuring the corporations' portfolio of business so as to balance those needing resources and those generating cash.

More recently however, it has been increasingly recognized that "strategic planning is totally adaptable to an individual business unit of a large corporation, or, in fact, to any business enterprise regardless of size. Also, it matters not, whether that enterprise is a manufacturer, a retailer, a trade or service organization or profit or non-profit."[17]

Responsibilities

Strategical market planning can be defined simply. It is how the management team specifies and selects the specific market actions that are appropriate to achieve the objective set by the enterprise. The process concentrates on developing and articulating the key methods that a firm will utilize to employ its

17. Ron Paul, "Organizing for Marketing Planning," S&MM (Dec. 7, 1981,) Vol. 127, No. 8, p. 37.

resources and advantages in order to out-perform or surpass its competition; or, in the case of a new product, to exploit an apparent opportunity. And more specifically, in the case of a vocational rehabilitation center, maintain full employment of its clients or workers with quality contracts.

Strategy formulation and implementation are functions of top management, because, "this is the group that is responsible for: (a) Integrating the functional and divisional areas of the firm, (b) Balancing the short, medium and long-term planning and control cycles, and (c) Acting as the liaison between the managed system and its independent environment."[18]

In this context then, strategic management can be defined as that function of top management that analyzes, develops, and changes the workshops' external and internal processes, in order to construct a strategy that is effective and efficient under constantly changing circumstances.

But, it should be emphasized, the plan must be a team effort. This is not something that a single executive should engage in privately. To be effective, the whole management team must be involved.

(For more information on formulating a marketing plan, step by step see Appendix #II)

18. J. Kreiken, "Implementing a More Systematic Approach," Management Review, (July, 1980), p. 24.

It is not time consuming or expensive compared to the amount of time devoted to other management activities. The time required is reasonable. For example, the Marketing Plan for 1982 in the Appendix required no more than two weeks to develop.

Variety of Plans

Variation in the format of plans often reflects not only differing orientations and perspectives of companies selling to different kinds of markets; but also, to some extent it reflects the differing personal preferences and inclinations of team members in charge of the market planning responsibilities.

Naturally, a marketing plan will emphasize those elements that are of a key importance in generating sales for the product in question. Thus marketing plans for consumer products usually focus more on advertising and sales promotion elements than do plans for products sold to commercial or industrial markets. The latter sometimes includes greater details on strategy and actions of individual customers and individual salesmen.

It is common practice to spell out with particular care and detail, planned activities relating to the introduction of a major new product. Often, a new product plan is prepared as a separate document, rather than as part of an overall marketing plan for an operating unit.

(See the Marketing Plan prepared for the introdution of Pens for the Kennedy Center Workshop in the Appendix.)

Companies without Marketing Plans

There are many companies and organizations that do not use a marketing plan. Some, for example, say the get by quite adequately, in their own judgement, with informal planning on the part of senior management, often coupled with some degree of formality in budgeting market expenditures. Wishing to keep their procedures simple and their options open, they see no advantage to taking the extra steps required to prepare a marketing plan.

Rejection of formal marketing plans is sometimes reported to be the result of poor experience with plans in the past. A few have choked on plans that turned out to be too massive to handle, or else to rigid to cope with reality in a changing market. For market heads in these firms, persistence with formalized marketing plans, which they see as planning for planning's sake, make no sense. One disillusioned executive speaks for several when he says: "Over the years we have found the authenticity of the plan to be loaded with too many by-quess and by-gosler, unsubstantiated information and incorrect data generated primarily to support some sales forecast numbers."[19]

Bologna surveyed 308 managers on the marketing plan. Of this group, 40% of them said that they did not believe in planning for the reasons given. (See Table 1.)

19. Statement by Jim Jarusinsky, P/M of Stranton Tool Company, Bridgeport, Ct. June 15, 1982, Personal Interview.

TABLE 1

RANK ORDERING OF WHY PEOPLE RESIST PLANNING

Why people don't plan

Rank order by first choices:

1.	Too time consuming	19.15%
2.	Knowledge deficiency	12.66
3.	The future is too uncertain	10.71
4.	Attitude deficiency	9.74
5.	Skill deficiency	7.46
6.	Live for today	6.81
7.	Too much work involved	6.49
8.	Don't like or understand process	5.19
9.	Fear of failure	3.89
10.	Man lives by intuition	3.57
		85.71%
	All others(9)	14.29
		100.00%

Rank order by combining first and second choices:

1.	Too time consuming	14.61%
2.	Too much work involved	12.01
3.	Knowledge deficiency	11.52
4.	The future is too uncertain	9.25
5.	Skill deficiency	8.60
6.	Attitude deficiency	8.44
7.	Don't like or understand process	5.68
8.	Too difficult	4.87
9.	Live for today	4.87
10.	Fear of failure	4.22
		84.07%
	All others	15.93
		100.00%

Excerpted from an article, "Why Managers Resist Planning," by Jack Bologna, president, George Odiorne Associates, Plymouth, MI, which appeared in Managerial Planning magazine. Bologna's company surveyed 308 managers; 40% of them said they did not believe in planning, for the reasons given.

Certainly, it is up to the individual workshop whether to formulate a marketing plan or not. Simply having some of the marketing techniques in use may be all that a particular workshop needs to remain successful. However, for the vast majority of workshops, especially those that do not possess a top-notched marketing representative, it would be the key to make certain that the proper checks and balances are being maintained for the continued success of the workshop.

Size

The size of a strategic marketing plan will vary from one company to the next. However, it is agreed by many of the experts in the field that, the best size is one that is kept as short and to the point as possible. It is also suggested that a summary format be drawn for performance evaluations of the strategies and actions that are developed.

The actual strategic marketing plan for the Kennedy Center can be found in the Appendix I. The summary format is on Table 2. This table highlights the strategies and actions that the marketing team have presented for the first quarter. It will allow the workshop to address the evaluation of the marketing plan in a concise manner.

On Table 3, the workshop marketing team can attach any marketing related problem/opportunity that comes up during the quarter so that at evaluation time this circumstance can be accounted for.

TABLE 2

Summary Format I

Quarterly Performance Report					
Team: 1.	Coordinator				
2.	Reviewed by:				
3.	Date:				
Performance Summary					
Dept./# of Plans	1st Q	2nd Q	3rd Q	4th Q	Year
Marketing					
Original Goal					
Current Goal					
Number Late					
Total Complete					
Production					
Original Goal					
Current Goal					
Number Late					
Total Complete					
Administration					
Original Goal					
Current Goal					
Number Late					
Total Complete					

Active Marketing Plans					
No.	Plan No.	Objective	Target Date	On Tar.	Off Tar.

Active Production Plans					
No.	Plan No.	Objective	Target Date	On Tar.	Off Tar.

Active Administration Plans					
No.	Plan No.	Objective	Target Date	On Tar.	Off Tar.

TABLE 3

Summary Format II

Problems and Opportunities

Department	Responsibility	Date
	Approved by	

Priority	Department Problem/Opportunities	Action Taken by Plan No.
1		
2		
3		
4		
5		
6		
7		

Priority	Non-Departmental Problems/Opportunities	Action Req'd by Dept.
1		
2		
3		
4		
5		

Success Elements

Overall, the important ingredients in an endeavor to formulate a successful strategic marketing plan for a workshop are:

1. How dedicated the team is to developing the system and maintaining it.
2. How well the team can coordinate the strategies and actions that are formulated.
3. How quickly the team can adjust any needed shifts in the plan.
4. How much importance is placed in the evaluation of the plan's assigned responsibilities.

CHAPTER FOUR

ELEMENTS OF A MARKETING PLAN

Situational Analysis

It is important that a workshop stop and ask itself, where are we now in the marketplace? This is the first step of formulating a marketing plan; that is, the review of the current market situation and the workshop's overall position.

This review should include an analysis of product sales trends, competitive positions, past promotional support, market strengths, weaknesses, and the like.

The point is to collect in one place all of the relevant facts about the workshop's past market processes. These processes are scattered in the marketing, production and administrative departments of the agency and must be brought together.

While practice varies, simply written, the situational analysis of a marketing plan often includes the following:

A. Present Market Structure

B. Previous Performance VS Objective

C. Market Situation and Competitive Environment

A. Customer Base or Present Market Structure

The present market structure or customer base for the past two years is obtained by assembling the data on the workshop's contractors. This includes the individual contractor's total volume

for each month and year, the gross sales volume for the workshop, etc. This data is then broken-down and analyzed for trends, segmentations, and projections. An example of this is found in Appendix I.

B. Previous Performance VS Objectives

Many managements insist on showing past variances between actual sales and original forecasts as set forth in previous plans. They do so in the belief that when a division or product unit has stubbed its toe, it is important to consider whether the obstacles could have been foreseen or avoided. Also, there is a lesson to be learned if hindsight shows that previous targets were unrealistic.

C. Market Situation and Competitive Environment

These two topics are often considered together in the marketing plan. They encompass such things as prospective changes in demand, the identification of trends within market segments, changes in customer attitudes, a purchasing behavior or anticipated actions by the competition, and the like.

Discussion of the competitive environment usually starts with the comparative nature of workshops and it may continue with a detailed review of other workshops' strengths and weaknesses, pricing, etc. Some workshops try to work hand-in-hand with other shops to avoid aggressive competition, and to remain as allies who are willing to cooperate by sharing machines and personnel.

Marketing Objective

In what is generally regarded as the most important step in formalizing a marketing plan, management sets forth the objectives of the marketing operation. Without this step, planning procedures would have no practical purpose; for, as the old adage goes - 'If you don't know where you want to go, any road will take you there.'

The marketing objective is commonly broken into two parts:

A. The Mission Objective

B. The Marketing Objective

A. Mission Objective

To begin, a workshop should require that planners first define or restate the primary mission of the agency. The stated mission is often an attempt to answer the question - What business are you in?

B. Marketing Objective

It is the attainment of designated objectives that fulfills the mission. As one person put it, "Objectives are the necessary base of any plan, since a plan must have a precise direction."[20]

The objectives should be expressed in as measurable and quantitative terms as possible. It should also be attainable and clearly worthwhile in terms of the agencies' need. In any event,

20. Statement by Ron Hallinan, former Marketing Representative, New York, June 14, 1982, Personal Inverview.

it should be stated in such a way as to allow subsequent measurement of the results.

Marketing Subfunction

Whether or not they start with the broader statements of strategic intent for the whole marketing objective, the formal marketing plan should include specific statements of objectives for a number of marketing subfunctions, i.e. for the promotion objective, financial, production and personnel objectives.

Strategy and Action Programs

The answer to the question - How do we get there from here? - as formally spelled out in the marketing plan, represents the marching orders for the various elements of the marketing objectives. Even in plans where the situational analysis is only lightly sketched or the discussion of objectives is skimped, it is common practice to specify marketing strategy and action programs for the period ahead.

Strategy, when formally enunciated is usually couched in a single statement and in broad general terms. This statement may nevertheless contain some specific indications of the route to be taken toward the attainment of objectives.

The marketing plan for Goodyear Tire instructs the planners that strategy operates, "as the connecting link between your problems, objectives, and detailed action."[21] The same instructions

21. David Hopkins, Short-Term Marketing Plan (New York: Conference Board, 1972) p. 66.

also emphasize the necessity for strategies to be "specific and down-to-earth, not generalized or highflown."[22] And, they go on to cite poor and good examples as follows:

> "Poor - in order to increase the share of our Product X, additional funds will go to R and D.
>
> Good - The market share of Product X is to be increased from 6% to 8% within twelve months by:
> a) Developing an attractive package
> b) Direct increase advertising effort to top 200 users
> c) Redesign product to improve appearance at no cost increase." 23

A few marketers say that when plotting strategy they find it helpful to try to measure the gap between their primary marketing objective and what would be accomplished in this direction by the unit, if it were to depend solely on its present programs and momentum. The size of this gap, of one exists, helps them to decide on stragegies for bridging it. For example, the Kennedy Center foresaw that with its present contractors, it would need to develop a $2200 contract each month.

Action Programs describe the actual steps by which strategy will be implemented and objectives accomplished during the planning period. Often, they indicate what the priorities for these steps will be.

Generally the effort called for in action programs is that which is believed sufficient to reach the stated objectives. It is common practice to carry out the action program schedule by months or

22. Ibid.
23. David Hopkins, op.cit. p. 67

quarters for the forthcoming planning period. For example, when the Kennedy Center wanted to introduce a new pen product, it showed the details, deadline, production schedule, market introduction plan, promotion, and sales needed based on a four month time frame. It defined the responsibility and dates for each step.

Contingency Planning

Most workshops recognize the need for at least some flexibility in the event that assumptions prove wrong, or unanticipated changes occur.

So, to take into consideration the possibility that events may go wrong, the workshop needs to amend their marketing plan with the following:

1. Identify major contingent events and list their probability of occurrence.
2. Establish and track indicators.
3. Develop strategies and tactics that will minimize the threat.

CHAPTER FIVE

CRITICAL ANALYSIS OF WORKSHOPS' MARKETING EFFORTS

Methodology

All responses from the questionnaire were tabulated against downtime which was previously determined to be the dependent variable. The independent variables that by-passed the barrage of statistical tests, and still remained significant, will be discussed below. Of course, many independent variables were found to be insignificant; however, they will not be highlighted in this paper. This will allow the author to elaborate on the factors that do significantly affect downtime.

The variables that were found to be significant were analyzed using the ANOVA Randomized Block Design. For each attribute found significant, a multiple comparison test between pairs of means was done to further test for significant differences between the means of each question. Multiple comparison procedures provide protection against calling too many differences significant. "These procedures set up more stringent criteria for declaring significance than does the usual "t-test." That is, the difference between two sample means must be larger to be identified as a true difference."[24]

24. Marija Norusis, SPSS, Introductory Guide: Basic Statistics and Operations, McGraw-Hill, New York, 1982, p. 73.

To further clarify the significance, the author plotted the relationship between the pair of variables using a scattergram. The scattergram further revealed the type of relationship. It also quantifies the strength of the association by calculating the summary index, the Pearson correlation coefficient, usually denoted by "r." The largest value for this test is a +1 which occurs when all points fall exactly on a line with a positive slope. When all points are on a line with a negative slope, the value of the correlation is -1.

And finally, to highlight the relationship, the author ran cross-tabulations and calculated the chi-square.

In this study, downtime was labeled untime on the computer run, and will be seen in many of the tables as such. The question on downtime can be found near the end of the questionnaire. It simply asks:

How much downtime did you experience in 1981?

1.	one week	3.	three weeks	5.	five weeks
2.	two weeks	4.	four weeks	6.	more.

Arbitrarily the author has decided that one to two weeks is a good showing, three and four weeks is mediocre, and anything beyond that is poor. In this sutdy, 44% had a poor showing, 28% a mediocre one, and 28% a good one. (See Table 4.)

TABLE 4

BREAKDOWN ON AMOUNT OF DOWNTIME

WORKSHOP ANALYSIS
DATA SCREENING
File WORKSHOP (Creation date = 7-Jul-82) STUDY

UNTIME AMT DOWNTIME

Category label		Code	Absolute freq	Relative freq (%)	Adjusted freq (%)	Cum freq (%)
1		1.	4	16.0	16.0	16.0
2	Good	2.	3	12.0	12.0	28.0
3		3.	4	16.0	16.0	44.0
4	Mediocre	4.	3	12.0	12.0	56.0
5		5.	1	4.0	4.0	60.0
M	Poor	6.	10	40.0	40.0	100.0
		Total	25	100.0	100.0	

Weeks

Mean	3.960	Std err	0.394	Mode	6.000
Std dev	1.968				
Valid cases	25	Missing cases	0		

Source: Print-out from an SPSS Computer-Analysis of questionnaire.

Results

1. Spread

Ratio of Top Three Contractors to Total Gross Sales

The tests showed that a factor named 'spread' was significant. The author calculated spread by adding together the answers of questions number six, number seven, and number eight, which ask the workshop to specify the sales volume of its top three contractors. For example, one workshop had answered these questions as follows:

6. The #1 contractors' sales volume: $37,000

7. The #2 contractors' sales volume: $21,000

8. The #3 contractors' sales volume: $20,000

This workshop had $73,000 worth of sales to its' top three contractors. In answer to question number three, the workshop specified that it had $95,000 gross sales in 1981. Thus the top three contractors had a monopolistic hold on the workshop with 77% of the gross sales being contracted by them. The variable, spread, was this calculated percentage. It was segmented into one of four answers: 1. <25% 2. <50% 3. <75% 4. <100% (See Table 5 for frequency breakdown.)

ANOVA (See Table 6)

The analysis of variance using the f-test resulted in the following significant levels:

$F(3,21) = 8.46$ $p = .0007$

Thus there appears to be an interaction between the two variables.

Multiple Comparison Test (See Table 6)

As a result of the multiple comparison test, the groups were divided into two distinct subsets. Those that had a spread percentage above 75% also had a mean score of 5.7 weeks of downtime, which we previously noted as poor. While, those that had a spread percentage below 75% scored a mediocre to good grade level on downtime.

Scattergram (See Figure 1)

Plotting the two variables depicts a linear relationship. As the spread or the percentage of the top three contractors increases, downtime also increases. Also, as the spread decreases, downtime decreases. The Pearson correlation coefficient is .708, which also indicates a strong linear relationship.

Cross-Tabulations (See Table 7)

If you refer to the cross-tabulation table, 88.9% that had a spread percentage greater than 75% had poor rating on downtime. Every workshop that had tied up there contracts in this range had four or more weeks of downtime in 1981.

Whereas 50% of those that had kept their spread low, that is, below 25%, were experiencing only one week of downtime.

The chi-square result also showed the relationship to be significant at .0059.

The Implications

In view of the results, it would be strongly suggested that workshops try to decrease their dependency on a few contractors. Aggressively planning to spread your risk is a good marketing technique, seemingly employed by some workshops who have less downtime than those who are dependent on only a few contractors.

TABLE 5

FREQUENCY BREAKDOWN OF ANSWERS ON SPREAD FACTOR

WORKSHOP ANALYSIS
DATA SCREENING
File WORKSHOP (Creation date = 7-Jul-82) STUDY

SPREAD RATIO OF TOP 3 TO TOTAL

Category label	Code	Absolute freq	Relative freq (%)	Adjusted freq (%)	Cum freq (%)
<25	1.	6	24.0	24.0	24.0
<50	2.	5	20.0	20.0	44.0
<75	3.	5	20.0	20.0	64.0
<100	4.	9	36.0	36.0	100.0
	Total	25	100.0	100.0	

Mean	2.680	Std err	0.243	Mode	4.000
Std dev	1.215				
Valid cases	25	Missing cases	0		

TABLE 6

ANOVA AND MULTIPLE COMPARISON TESTS ON SPREAD FACTOR AND DOWNTIME

Variable: UNTIME AMT DOWNTIME
by Variable SPREAD RATIO OF TOP 3 TO TOTAL

Analysis of Variance

Source	D.f.	Sum of squares	Mean squares	F-ratio
Between groups	3	50.8711	16.9570	8.461
Within groups	21	42.0889	2.0042	
Total	24	92.9600		

Multiple range test

Student-Newman-Keuls Procedure
Ranges for the .050 level -

2.94 3.56 3.94

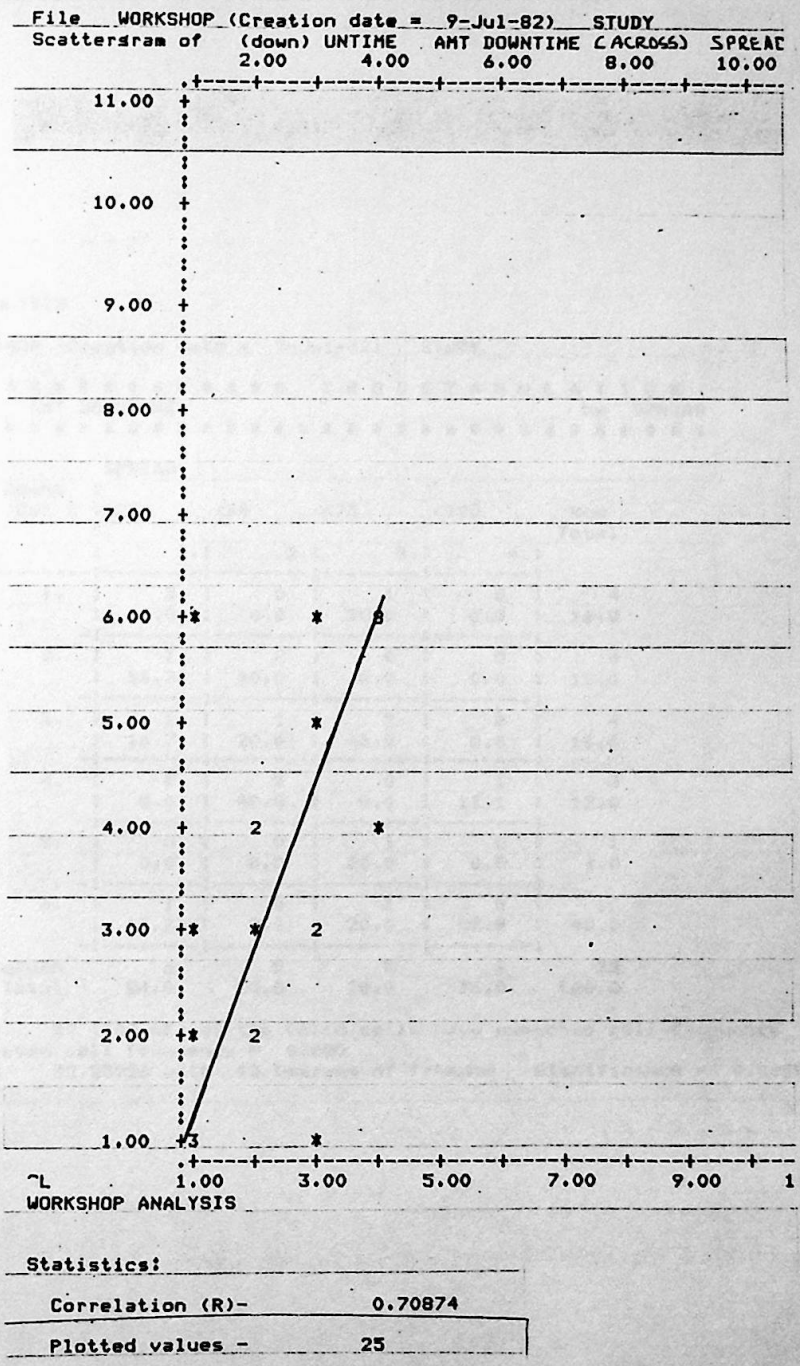
Subset 1

Group	GRP01	GRP02	GRP03
Mean	2.3333	3.0000	3.6000

Subset 2

Group	GRP04
Mean	5.7778

FIGURE 1



SCATTERGRAM ON SPREAD FACTOR, SHOWING A POSITIVE LINEAR RELATIONSHIP WITH DOWNTIME

TABLE 7

CROSS-TABULATIONS ON SPREAD FACTOR AND DOWNTIME

WORKSHOP ANALYSIS

File WORKSHOP (Creation date = 7-Jul-82) STUDY

* C R O S S T A B U L A T I O N
UNTIME AMT DOWNTIME by SPREAD
* *

	SPREAD				
Count / Col %	<25	<50	<75	<100	Row Total
UNTIME	1.	2.	3.	4.	
1.	3	0	1	0	4
1	50.0	0.0	20.0	0.0	16.0
2.	1	2	0	0	3
2	16.7	40.0	0.0	0.0	12.0
3.	1	1	2	0	4
3	16.7	20.0	40.0	0.0	16.0
4.	0	2	0	1	3
4	0.0	40.0	0.0	11.1	12.0
5.	0	0	1	0	1
5	0.0	0.0	20.0	0.0	4.0
6.	1	0	1	8	10
M	16.7	0.0	20.0	88.9	40.0
Column Total	6	5	5	9	25
	24.0	20.0	20.0	36.0	100.0

24 out of 24 (100.0%) of the valid cells have expected cell frequency
Minimum expected cell frequency = 0.200
Chi square = 32.25926 with 15 Degrees of freedom Significance = 0.0059

2. Summary Analysis

The author calculated this variable by adding together all the yes answers on the first question in Section V. The answer was then placed into one of five categories, depending on the amount of yes answers: (See Table 8 on frequency breakdown.)

1. < 40 2. < 80 3. < 120 4. < 160 5. < 200.

The summary analysis was an analysis of how many elements of the marketing plan the workshop was incorporating into its procedures:

Question numbers one to three ask the workshop if it provides sufficient, meaningful contracts to its clients. This is outlined in the mission objective or marketing objective of a workshop's marketing plan.

Question numbers four and eight ask if the responsibilities for a marketing plan are delegated not just to a marketing representative, but also to a marketing team, consisting of elements of Sales, Production and Administration.

Question numbers five and twenty ask if there are controls designed in the plan as any well designed plan would normally incorporate.

Question numbers six, seven, and nineteen ask questions pertaining to strategies and actions, making certain that the mechanisms for processing contracts are in effective and efficient shape. (The production objective in the marketing plan.)

Question number nine pertains to time-tabling the marketing campaign, which is also an element of strategy and action on a marketing plan.

Question numbers ten and eleven ask if the workshop is maintaining a profile of its customer base, which is a component of the situational analysis as earlier discussed in this paper.

Question numbers twelve and thirteen are elements of strategy and action programs in a marketing plan.

Question numbers fourteen, fifteen, sixteen, and seventeen are concerned about the promotional objective of a workshop and its endeavor to obtain business community awareness.

Overall, these twenty questions are concerned specifically with the elements outlined earlier in this paper. These elements describe the components of a marketing plan.

ANOVA (See Table 9)

The analysis of variance using the f-test resulted in the following significant levels:

$f(4,20) = 14.4 \quad p = .0000$

Thus, the variable appears to be interactive with downtime.

Multiple Comparison Tests (See Table 9)

The results divided the groups into four different subsets. Those that had answered the question with sixteen or more yes answers were considered one group, and had a group average of under two weeks of downtime, or a good rating. In contrast, subset four,

those that had answered the question with under twelve yes answers, had a mean average of five and a half weeks of downtime, or a poor rating.

Scattergram (See Figure 2)

Plotting the two variables gives us a linear relationship. As the number of components are increased on a marketing plan, the amount of downtime decreases. Also, the less sophisticated a marketing department becomes, the risk of increasing downtime occurs. The Pearson correlation coefficient is - .859, indicating a strong linear relationship.

Cross-Tabulation (See Table 10)

If you refer to the cross-tabulation, 75% of those that answered this question with sixteen or more positive replies, maintained only one week of downtime. A total of 100% in this category maintained a good profile in downtime.

Whereas 100% of those that answered the question with three or less positive replies were suffering an unfortunately high amount of downtime.

The chi-square result also showed the relationship to be significant at .0016.

The Implications

In view of these results, the workshops should try to incorporate the elements of the marketing plan outlined in this paper. The more marketing techniques that are applied and effectively maintained and managed by the workshop, the better

the chances of a workshop reducing downtime.

A significance was detected between downtime and a summary analysis of marketing techniques. 60% of those that had been experiencing poor to medium levels of downtime had a sparce marketing department. Whereas, 24% who were experiencing a good grade of low downtime had a much more sophisticated marketing department that was implementing the strategies and actions of a marketing plan; such as, receiving the marketing plan, developing a marketing team, time tabling their marketing campaign, specifying the dollar objective of each market, promoting the workshop via public relations, setting up adequate controls, etc.

TABLE 8

FREQUENCY BREAKDOWN ON SUMMARY FACTOR

WORKSHOP ANALYSIS
DATA SCREENING
File WORKSHOP (Creation date = 7-Jul-82) STUDY

SUMM SUMMARY ANALYSIS

Category label	Code	Absolute freq	Relative freq (%)	Adjusted freq (%)	Cum freq (%)
<4	1.	6	24.0	24.0	24.0
<8	2.	5	20.0	20.0	44.0
<12	3.	5	20.0	20.0	64.0
<16	4.	5	20.0	20.0	84.0
<20	5.	4	16.0	16.0	100.0
	Total	25	100.0	100.0	

Mean	2.840	Std err	0.287	Mode	1.000
Std dev	1.434				
Valid cases	25	Missing cases	0		

TABLE 9

ANOVA AND MULTIPLE COMPARISON TESTS ON SUMMARY FACTOR AND DOWNTIME

Variable: UNTIME AMT DOWNTIME
by Variable SUMM SUMMARY ANALYSIS

Analysis of Variance

Source	D.f.	Sum of squares	Mean squares	F-ratio
Between groups	4	69.0100	17.2525	14.407
Within groups	20	23.9500	1.1975	
Total	24	92.9600		

Multiple range test

Student-Newman-Keuls Procedure
Ranges for the .050 level -

2.95 3.57 3.95 4.23

Subset 1

Group	GRP05	GRP04
Mean	1.2500	2.6000

Subset 2

Group	GRP04	GRP03
Mean	2.6000	4.0000

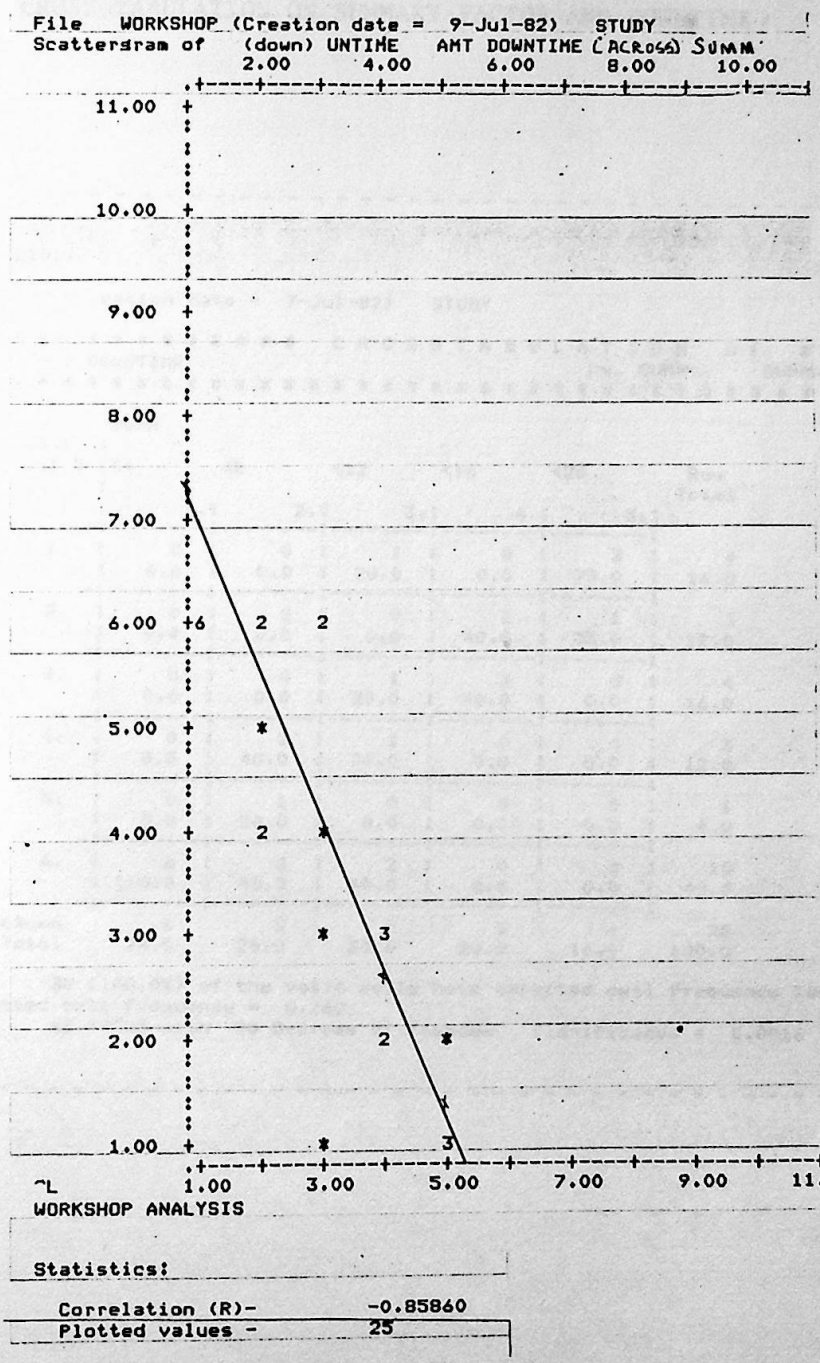
Subset 3

Group	GRP03	GRP02
Mean	4.0000	5.0000

Subset 4

Group	GRP02	GRP01
Mean	5.0000	6.0000

FIGURE 2



SCATTERGRAM ON SUMMARY FACTOR SHOWING NEGATIVE LINEAR RELATIONSHIP WITH DOWNTIME

TABLE 10

CROSS-TABULATION ON SUMMARY FACTOR AND DOWNTIME

WORKSHOP ANALYSIS 7-Jul-82

File WORKSHOP (Creation date = 7-Jul-82) STUDY

* * * * * * * * * * * * * * * * * * * C R O S S T A B U L A T I O N O F * * * * * * *
UNTIME AMT DOWNTIME by SUMM SUMMARY ANALYSIS
* *

		SUMM					
	Count / Col %	<4	<8	<12	<16	<20.	Row Total
		1.	2.	3.	4.	5.	
UNTIME							
1	1.	0	0	1	0	3	4
		0.0	0.0	20.0	0.0	75.0	16.0
2	2.	0	0	0	2	1	3
		0.0	0.0	0.0	40.0	25.0	12.0
3	3.	0	0	1	3	0	4
		0.0	0.0	20.0	60.0	0.0	16.0
4	4.	0	2	1	0	0	3
		0.0	40.0	20.0	0.0	0.0	12.0
5	5.	0	1	0	0	0	1
		0.0	20.0	0.0	0.0	0.0	4.0
M	6.	6	2	2	0	0	10
		100.0	40.0	40.0	0.0	0.0	40.0
	Column Total	6	5	5	5	4	25
		24.0	20.0	20.0	20.0	16.0	100.0

30 out of 30 (100.0%) of the valid cells have expected cell frequency less than 5.0.
Minimum expected cell frequency = 0.160
Chi square = 43.89583 with 20 Degrees of freedom Significance = 0.0016

3. ACCO

The Accumulated Tally of Production Processes

This variable was the accumulated tally of the ninth question. A workshop that has a top-notch production department would score a sixty on this test. The breakdown of categories was: (See Table 11 for breakdown analysis.)

1. < 10 2. < 20 3. < 30 4. < 40 5. < 50 6. < 60.

ANOVA (See Table 12)

The analysis of variance using the f-test resulted in the following significant levels:

$f(3,21) = 18.45 \quad p < .000.$

Thus there appears to be some interaction between downtime and the production prowess of a workshop.

Multiple Comparison Test (See Table 12)

As a result of the multiple comparison tests, the groups were divided into two subsets: those that scored a fifty or above, and those that scored below fifty. The mean average for those that scored above fifty was one and a half weeks of downtime.

Whereas those that scored below fifty had an average mean score of five weeks of downtime.

Scattergram (See Figure 3)

Plotting the results of the interaction between the two variables suggests a linear relationship. As the production tally increases, so does the reduction of downtime.

Whereas, if the production department does not have a systematic procedure established in handling contracts, downtime will increase accordingly.

The Pearson correlation coefficient is - .814 which also indicates a strong linear relationship.

Cross-Tabulation (See Table 13)

If you refer to the cross-tabulation table, 77.8% that scored below a thirty on this test had a poor rating on reducing downtime. While 100% of those with scores above fifty were also incurring a good rating on downtime.

The chi-square result also showed the relationship to be significant at .025.

The Implications

In view of the results, developing and maintaining an effective and efficient production procedure system is important if efforts are being made to reduce downtime in a workshop. This component should be structured in the market plan of a workshop as outlined in this study.

A significance was detected between an accumulated tally of production prowess and downtime. 30% of those surveyed showed that those reporting a low downtime had a high tally. Whereas, 70% of those that were in the poor to medium range in downtime had lower production prowess. A possible explanation for this is that those workshops that have developed an effective inventory system, a

production scheduling system, etc., are se-vicing their contractors in the manner that produces the positive promotional effect needed for reducing downtime.

TABLE 11

BREAKDOWN ANALYSIS OF ACCUMULATED TALLY FACTOR

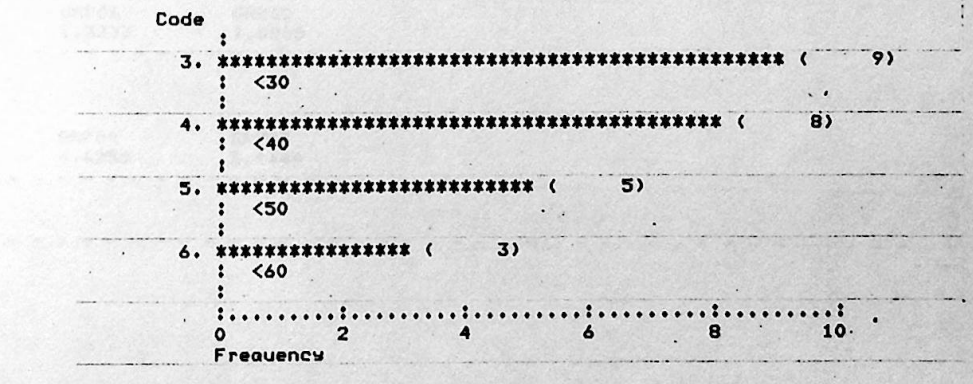
WORKSHOP ANALYSIS
DATA SCREENING
File WORKSHOP (Creation date = 7-Jul-82) STUDY

ACCO ACCUMULATED TALLY OF PRODUCTION PROCESS

Category label	Code	Absolute freq	Relative freq (%)	Adjusted freq (%)	Cum freq (%)
<30	3.	9	36.0	36.0	36.0
<40	4.	8	32.0	32.0	68.0
<50	5.	5	20.0	20.0	88.0
<60	6.	3	12.0	12.0	100.0
	Total	25	100.0	100.0	

WORKSHOP ANALYSIS
DATA SCREENING
File WORKSHOP (Creation date = 7-Jul-82) STUDY

ACCO ACCUMULATED TALLY OF PRODUCTION PROCESS



Mean	4.080	Std err	0.208	Mode	3.000
Std dev	1.038				
Valid cases	25	Missing cases	0		

TABLE 12

ANOVA AND MULTIPLE COMPARISON TESTS OF ACCUMULATED TALLY FACTOR AND DOWNTIME

Variable: UNTIME AMT DOWNTIME
by Variable ACCO ACCUMULATED TALLY OF PRODUCTION PROCESS

Analysis of Variance

Source	D.f.	Sum of squares	Mean squares	F-ratio
Between groups	3	67.3961	22.4654	18.455
Within groups	21	25.5639	1.2173	
Total	24	92.9600		

Multiple range test

Student-Newman-Keuls Procedure
Ranges for the .050 level -

2.94 3.56 3.94

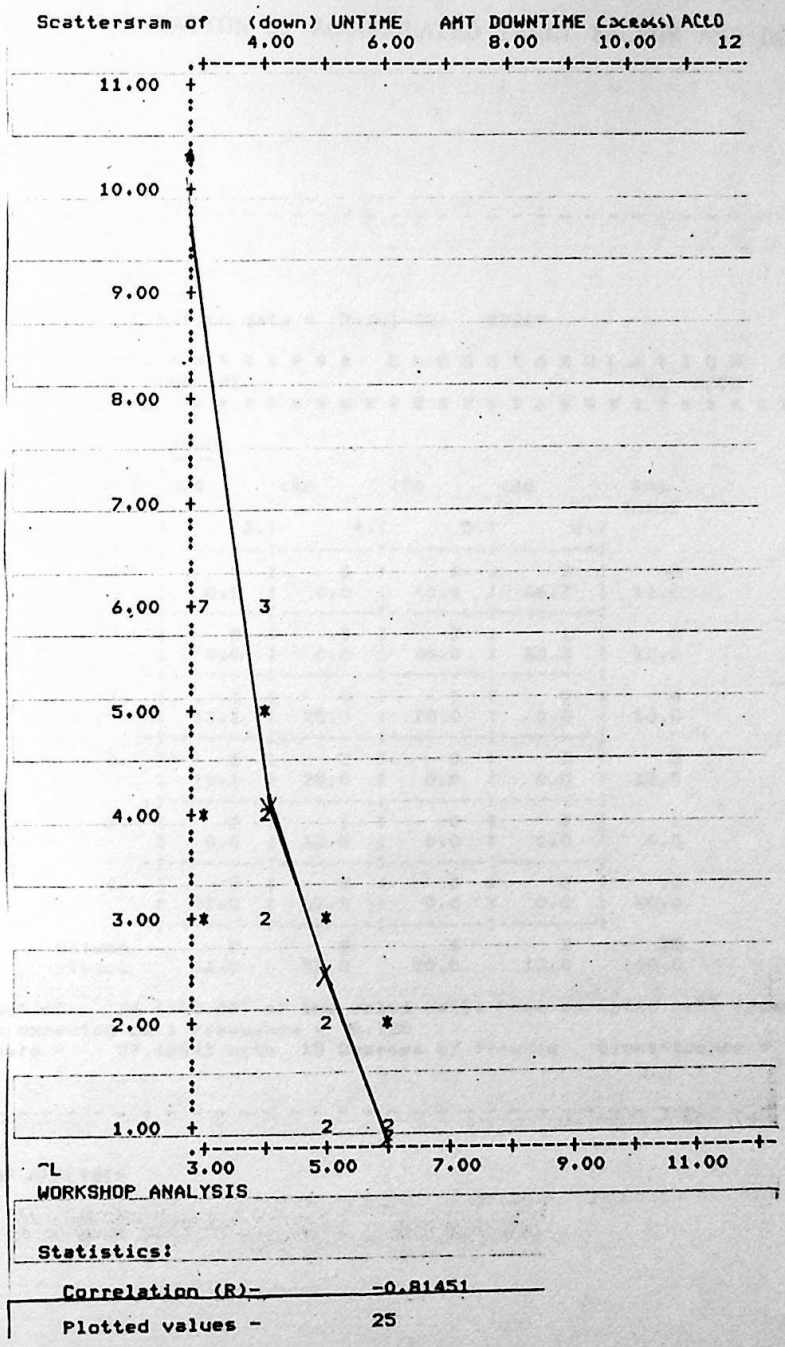
Subset 1

Group	GRP06	GRP05
Mean	1.3333	1.8000

Subset 2

Group	GRP04	GRP03
Mean	4.6250	5.4444

FIGURE 3



SCATTERGRAM OF ACCUMULATED TALLY SHOWING NEGATIVE LINEAR RELATIONSHIP WITH DOWNTIME

TABLE 13

CROSS-TABULATION OF ACCUMULATED TALLY FACTOR AND DOWNTIME

WORKSHOP ANALYSIS 7-Jul-82

File WORKSHOP (Creation date = 7-Jul-82) STUDY

* CROSSTABULATION OF * * * * * * * *
UNTIME AMT DOWNTIME by ACCO ACCUMULATED TALLY
* *

		ACCO				
	Count / Col %	<30	<40	<50	<60	Row Total
		3.	4.	5.	6.	
UNTIME						
1	1.	0	0	2	2	4
		0.0	0.0	40.0	66.7	16.0
2	2.	0	0	2	1	3
		0.0	0.0	40.0	33.3	12.0
3	3.	1	2	1	0	4
		11.1	25.0	20.0	0.0	16.0
4	4.	1	2	0	0	3
		11.1	25.0	0.0	0.0	12.0
5	5.	0	1	0	0	1
		0.0	12.5	0.0	0.0	4.0
M	6.	7	3	0	0	10
		77.8	37.5	0.0	0.0	40.0
	Column Total	9	8	5	3	25
		36.0	32.0	20.0	12.0	100.0

24 out of 24 (100.0%) of the valid cells have expected cell frequency less than 5.0.
Minimum expected cell frequency = 0.120
Chi square = 27.48843 with 15 Degrees of freedom Significance = 0.0250

4. BACK

The Marketing Representative's Background

The workshops that had a seasoned marketing representative, that is, one with experience in industry, implementing marketing plans, soliciting government contracts and some industrial engineering knowledge received a score of sixty on this question. The breakdown of the category was as before for the previously discussed variable: (See Table 14 for breakdown)

1. < 10 2. < 20 3. < 30 4. < 40 5. < 50 6. < 60.

ANOVA (See Table 15)

The analysis of variance using the f-test resulted in the following significant levels:

$f(4.20) = 21.098 \quad p < .0000.$

Thus there appears to be some interaction between background and downtime.

Multiple Comparison Tests (See Table 15)

As a result of these tests, the groups were divided into three subsets. The first subset placed those that scored above fifty in the same grouping. The mean average of this group was just under two weeks of downtime, a good rating. Whereas the groups that scored below fifty received mediocre to poor ratings on downtime.

Scattergram (See Figure 4)

Plotting the answers of these two variables resulted in a straight line. This suggests that the experience and technical

training of a marketing representative is very influential, and, as it increases, downtime decreases for the workshop. And, as the workshop employs counselors and those less capable of marketing a workshop, the amount of downtime increases.

The Pearson correlation coefficient is - .69, which indicates a strong linear relationship.

Cross-Tabulation (See Table 16)

The cross-tabulation results show that 100% of those that had experienced good results in downtime, also had marketing representatives with experience. While those workshops that had scored less than twenty on this question had poor results in reducing downtime.

The chi-square result also showed the relationship to be significant at .0379.

The Implications

In view of the results, obtaining a professional marketing person for a workshop is crucial. As Edward A. Malone, Jr. points out in his manual on marketing, "the key to success . . . will be found in the selection of a marketing director or manager with many years of multimarket management level experience."[25]

Also found to be significant was the background of the representative and downtime. 60% of those experiencing poor to medium grades

25. E. Malone, Jr., The Complete Marketing Manual for Sheltered Workshops, Malone Associates, Westwood, New Jersey, 1977, p. 9.

of downtime had inexperienced marketing profiles. Whereas, 40% that were experiencing good grades of low downtime were manned by persons with experience in marketing and industry.

TABLE 14

FREQUENCY BREAKDOWN OF BACKGROUND FACTOR

WORKSHOP ANALYSIS
DATA SCREENING
File WORKSHOP (Creation date = 7-Jul-82) STUDY

BACK BACKGROUND

Category label	Code	Absolute freq	Relative freq (%)	Adjusted freq (%)	Cum freq (%)
<20	2.	2	8.0	8.0	8.0
<30	3.	7	28.0	28.0	36.0
<40	4.	6	24.0	24.0	60.0
<50	5.	7	28.0	28.0	88.0
<60	6.	3	12.0	12.0	100.0
	Total	25	100.0	100.0	

Mean	4.080	Std err	0.237	Mode	3.000
Std dev	1.187				
Valid cases	25	Missing cases	0		

TABLE 15

ANOVA AND MULTIPLE COMPARISON TESTS OF BACKGROUND FACTOR AND DOWNTIME

Variable: UNTIME AMT DOWNTIME
by Variable BACK BACKGROUND

Analysis of Variance

Source	D.f.	Sum of squares	Mean squares	F-ratio
Between groups	4	75.1505	18.7876	21.098
Within groups	20	17.8095	0.8905	
Total	24	92.9600		

Multiple range test

Student-Newman-Keuls Procedure
Ranges for the .050 level -

2.95 3.57 3.95 4.23

Subset 1

Group	GRP06	GRP05
Mean	1.3333	2.2857

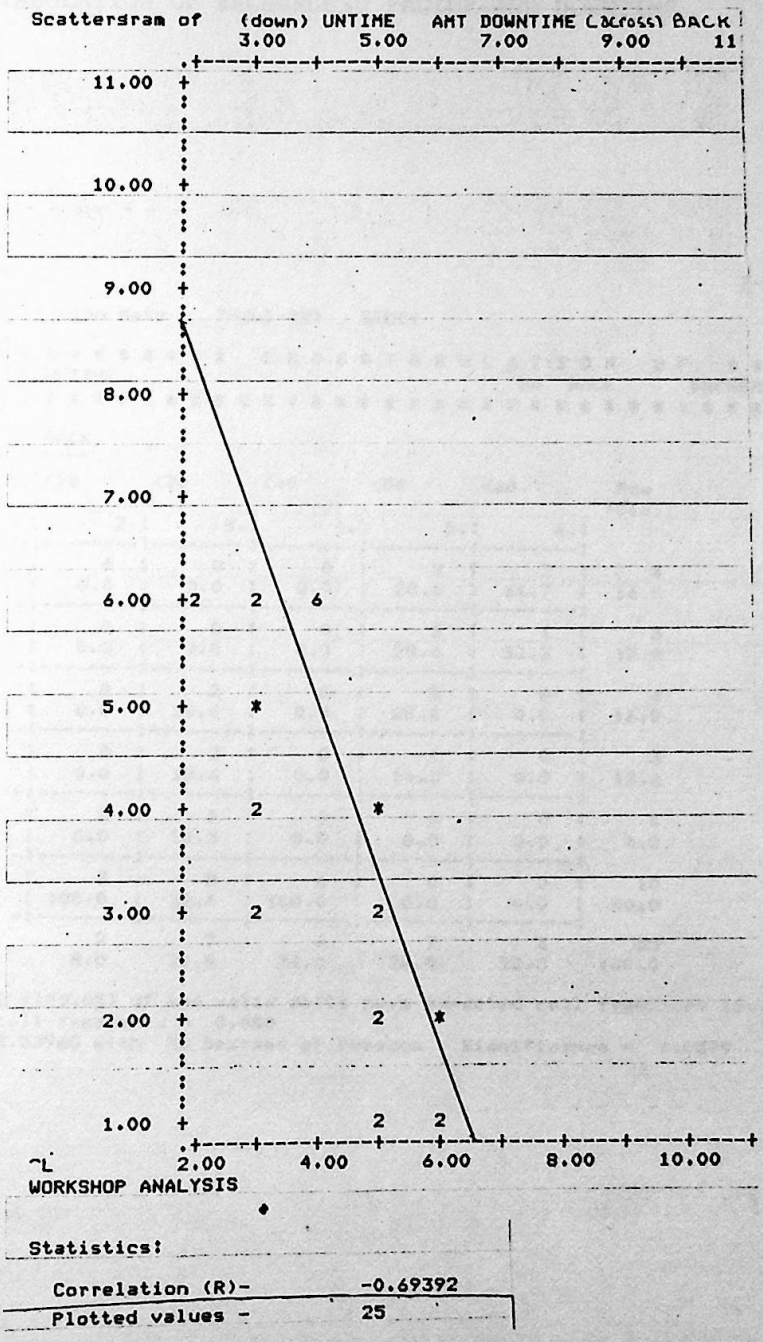
Subset 2

Group	GRP03	GRP02
Mean	4.4286	6.0000

Subset 3

Group	GRP02	GRP04
Mean	6.0000	6.0000

FIGURE 4



SCATTERGRAM OF BACKGROUND SHOWING NEGATIVE LINEAR RELATIONSHIP WITH DOWNTIME

TABLE 16

CROSS-TABULATION OF BACKGROUND FACTOR AND DOWNTIME

WORKSHOP ANALYSIS 7-Jul-82

File WORKSHOP (Creation date = 7-Jul-82) STUDY

* C R O S S T A B U L A T I O N O F * * * * * * * *
UNTIME AMT DOWNTIME by BACK BACKGROUND
* *

UNTIME	Count / Col %	BACK <20 (2.)	<30 (3.)	<40 (4.)	<50 (5.)	<60 (6.)	Row Total
1.		0	0	0	2	2	4
1		0.0	0.0	0.0	28.6	66.7	16.0
2.		0	0	0	2	1	3
2		0.0	0.0	0.0	28.6	33.3	12.0
3.		0	2	0	2	0	4
3		0.0	28.6	0.0	28.6	0.0	16.0
4.		0	2	0	1	0	3
4		0.0	28.6	0.0	14.3	0.0	12.0
5.		0	1	0	0	0	1
5		0.0	14.3	0.0	0.0	0.0	4.0
6.		2	2	6	0	0	10
M		100.0	28.6	100.0	0.0	0.0	40.0
Column Total		2 8.0	7 28.0	6 24.0	7 28.0	3 12.0	25 100.0

30 out of 30 (100.0%) of the valid cells have expected cell frequency less than 5.0.
Minimum expected cell frequency = 0.080
Chi square = 32.53968 with 20 Degrees of freedom Significance = 0.0379

STRA

Strategies

The workshop that had an aggressive marketing department, one that had applied the components that are set forth in the strategy and action program portion in this paper's strategical marketing plan design, received a top score of ten points by answering all ten units as yes. The breakdown of this category was: (See Table 17 for breakdown analysis)

1. < 2 2. < 4 3. < 6 4. < 8 5. < 10.

ANOVA (See Table 18)

The analysis of variance using the f-test resulted in the following significant levels:

$f(4,20) = 6.74 \quad p < .0013$.

Thus there appears to be an interactional effect between strategies and downtime.

Multiple Comparison Tests (See Table 18)

As a result of these tests, the groups were divided into two subsets. The group labeled subset number one scored above eight on this question. The mean average of this group was under two weeks of downtime, a good rating. Whereas, the other group that had scores below eight also received poor ratings in downtime.

Scattergram (See Figure 5)

Plotting the graph of these two variables reflects a linear relationship. As one increased the aggressive strategies of a

of a marketing plan, one decreased the amount of downtime incurred in the workshop.

The Pearson correlation coefficient is - .676. This also indicates a strong linear relationship.

Cross-Tabulation (See Table 19)

The cross-tabulation results show that 100% of those that had implemented a strong and aggressive strategy and action portion of a marketing plan, were experiencing a very good rate of downtime, only one week; whereas, 100% of those that had a weak marketing department as indicated by only two positive responses on the strategy question, were suffering the effects of poor downtime ratings.

The Implications

Implementing an aggressive marketing plan with a full force of strategies and actions is important in reducing downtime for a workshop.

TABLE 17

BREAKDOWN ANALYSIS OF STRATEGIES FACTOR

WORKSHOP ANALYSIS
DATA SCREENING
File WORKSHOP (Creation date = 7-Jul-82) STUDY

STRA STRATEGIES

Category label	Code	Absolute freq	Relative freq (%)	Adjusted freq (%)	Cum freq (%)
<2	1.	3	12.0	12.0	12.0
<4	2.	5	20.0	20.0	32.0
<6	3.	6	24.0	24.0	56.0
<8	4.	9	36.0	36.0	92.0
<10	5.	2	8.0	8.0	100.0
	Total	25	100.0	100.0	

Mean	3.080	Std err	0.237	Mode	4.000
Std dev	1.187				
Valid cases	25	Missing cases	0		

TABLE 18

ANOVA AND COMPARISON TESTS OF STRATEGIES FACTOR AND DOWNTIME

Variable: UNTIME AMT DOWNTIME
by Variable STRA STRATEGIES

Analysis of Variance

Source	D.f.	Sum of squares	Mean squares	F-ratio
Between groups	4	53.3711	13.3428	6.741
Within groups	20	39.5889	1.9794	
Total	24	92.9600		

Student-Newman-Keuls Procedure
Ranges for the .050 level -

2.95 3.57 3.95 4.23

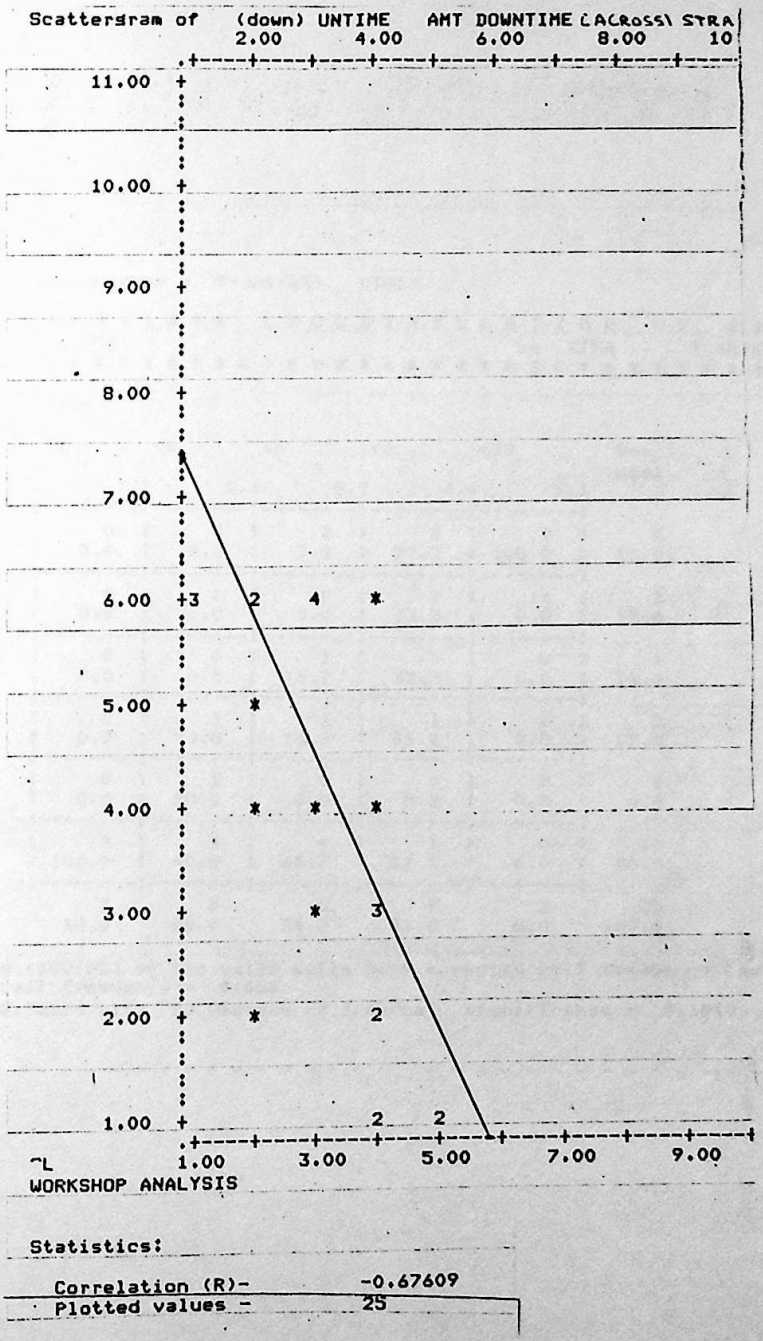
Subset 1

Group	GRP05	GRP04
Mean	1.0000	2.7778

Subset 2

Group	GRP02	GRP03	GRP01
Mean	4.6000	5.1667	6.0000

FIGURE 5



SCATTERGRAM ON STRATEGIES SHOWING NEGATIVE LINEAR RELATIONSHIP WITH DOWNTIME

TABLE 19

CROSS-TABULATIONS ON STRATEGIES FACTOR AND DOWNTIME

WORKSHOP ANALYSIS 9-Jul-82

File WORKSHOP (Creation date = 9-Jul-82) STUDY

* C R O S S T A B U L A T I O N O F * * * * * * * *
UNTIME AMT DOWNTIME by STRA STRATEGIES
* *

UNTIME	Count / Col %	STRA <2 (1.)	<4 (2.)	<6 (3.)	<8 (4.)	<10 (5.)	Row Total
1	1.	0 / 0.0	0 / 0.0	0 / 0.0	2 / 22.2	2 / 100.0	4 / 16.0
2	2.	0 / 0.0	1 / 20.0	0 / 0.0	2 / 22.2	0 / 0.0	3 / 12.0
3	3.	0 / 0.0	0 / 0.0	1 / 16.7	3 / 33.3	0 / 0.0	4 / 16.0
4	4.	0 / 0.0	1 / 20.0	1 / 16.7	1 / 11.1	0 / 0.0	3 / 12.0
5	5.	0 / 0.0	1 / 20.0	0 / 0.0	0 / 0.0	0 / 0.0	1 / 4.0
M	6.	3 / 100.0	2 / 40.0	4 / 66.7	1 / 11.1	0 / 0.0	10 / 40.0
	Column Total	3 / 12.0	5 / 20.0	6 / 24.0	9 / 36.0	2 / 8.0	25 / 100.0

30 out of 30 (100.0%) of the valid cells have expected cell frequency less than 5.0.
Minimum expected cell frequency = 0.080
Chi square = 28.36574 with 20 Degrees of freedom Significance = 0.1010

CHAPTER SIX

CONCLUSION

Summary

In this report on formulating a more systematic approach to strategic marketing of a vocational rehabilitation workshop, the initial hypothesis suggested that with a more aggressive marketing technique, applied and implemented, a workshop would enjoy less downtime. The primary task of this paper was then to formulate an aggressive marketing plan, detailing the varied components. It was then to test if these components were affecting any significant changes in other workshops.

Our study has lead us to five factors that have been determined significant. Clearly, not one of these factors should be isolated and determined to be the sole factor in reducing downtime. Certainly an experienced marketing representative without a capable and efficient production department will never pull a workshop out of the doldrums of a poor rating on downtime.

However, the underlying premise of the strategic marketing plan, that the author has proposed in this study, is not to have any component stand in isolation. An effective and efficient marketing plan will have a production objective with proposals and reviews to make certain that this department is heading in the right direction.

And, the correct direction will not be under the tutelage of

just one person; but, a team effort of the Sales, Production and Administration departments. This team effort will map the way and forecast the forthcoming future of the workshop. It will propose and review the strategies and actions of the marketing effort of the workshop.

From this perspective, the factors of spread percentage, accumulated tally of production processes, strategies of the marketing department and marketing background of the representative all give way to the factor labeled the summary factor. The summary factor is comprised of all these factors under the command of a marketing plan.

Proof that aggressive marketing techniques reduce downtime has already been suggested earlier in this study. Further proof that the marketing plan is a very powerful component in reducing downtime resulted from the attempt to run a multiple linear regression analysis. Using the step-wise procedure, the computer was programmed to print first, the most powerful factor in predicting downtime. This factor was the summary factor.

This variable alone produced an equation that resulted in an r^2 of .737, and an f (1,23) = 64.5 p $<$.0000. The equation: Downtime = 7.3 - 1.18 (summary). (See Table 20)

To improve the equation, the computer then added the other variables. The equation was improved only slightly with an r^2 = .8 and an f(5,19) = 15.9 p $<$.0000.

The equation: Downtime = 9.14 - .7 (Summ) + .128 (BACK) + .015 (Spread) - .737 (ACCO) - .242 (STRA) (See Table 21)

Both the above equations meet the necessary criteria for an acceptable equation; such as, randomized scatterplot, and linear residuals. (See Figures 6, 7, 8)

To test the model, the Kennedy Center filled out a questionnaire and filled in the necessary figures in the equation.

Downtime = 9.14 - .7 (4) + .128 (5) + .015 (2) - .737 (5) - .242 (2)
= 2.8 weeks of downtime predicted.

In actuality, the Center had two weeks of downtime. Using the less bulky equation:

Downtime = 7.3 - 1.18 (4)
= 2.58 weeks of downtime.

This simpler equation produced a closer estimate.

TABLE 20

MODEL FOR PREDICTING DOWNTIME USING THE SUMMARY ANALYSIS FACTOR ABOVE

VARIABLE LIST number 1. Listwise deletion of missing data.

Equation number 1.

Dependent variable.. UNTIME AMT DOWNTIME

Beginning block number 1. method: STEPWISE

Variable(s) entered on step number 1.. SUMM SUMMARY ANALYSIS

Multiple R	0.85860		
R Square	0.73719	R square change	0.73719
Adjusted R square	0.72576	F change	64.51462
Standard error	1.03064	Signif F change	0.0000

---------- Variables in the equation ----------

Variable	B	Se B	Beta	T	Sig T
SUMM	-1.17828	0.14670	-0.85860	-8.032	0.0000
(CONSTANT)	7.30632	0.46482		15.719	0.0000

Analysis of variance	Df	Sum of squares	Mean square
Regression	1	68.52888	68.52888
Residual	23	24.43112	1.06222

F = 64.51462 Signif F = 0.0000

TABLE 21

VARIABLE LIST number 1. Listwise deletion of missing data.

	MEAN	STD DEV	LABEL
UNTIME	3.960	1.968	AMT DOWNTIME
SPREAD	2.680	1.215	RATIO OF TOP 3 TO TOTAL
SUMM	2.840	1.434	SUMMARY ANALYSIS
ACCO	4.080	1.038	ACCUMULATED TALLY OF PRODUCTION PROCESS
BACK	4.080	1.187	BACKGROUND
STRA	3.080	1.187	STRATEGIES

N OF CASES = 25

CORRELATION

	UNTIME	SPREAD	SUMM	ACCO	BACK	STRA
UNTIME	1.000	0.709	-0.859	-0.815	-0.694	-0.676
SPREAD	0.709	1.000	-0.820	-0.607	-0.703	-0.675
SUMM	-0.859	-0.820	1.000	0.765	0.766	0.693
ACCO	-0.815	-0.607	0.765	1.000	0.705	0.569
BACK	-0.694	-0.703	0.766	0.705	1.000	0.675
STRA	-0.676	-0.675	0.693	0.569	0.675	1.000

* *

Equation number 1.

Dependent variable.. UNTIME AMT DOWNTIME

Beginning block number 1. method: ENTER SPREAD SUMM ACCO BACK

Variable(s) entered on step number

1..	STRA	STRATEGIES
2..	ACCO	ACCUMULATED TALLY OF PROD
3..	SPREAD	RATIO OF TOP 3 TO TOTAL
4..	BACK	BACKGROUND
5..	SUMM	SUMMARY ANALYSIS

Multiple R	0.89868
R Square	0.80763
Adjusted R square	0.75701
Standard error	0.97015

Analysis of variance

	Df	Sum of squares
Regression	5	75.07744
Residual	19	17.88256

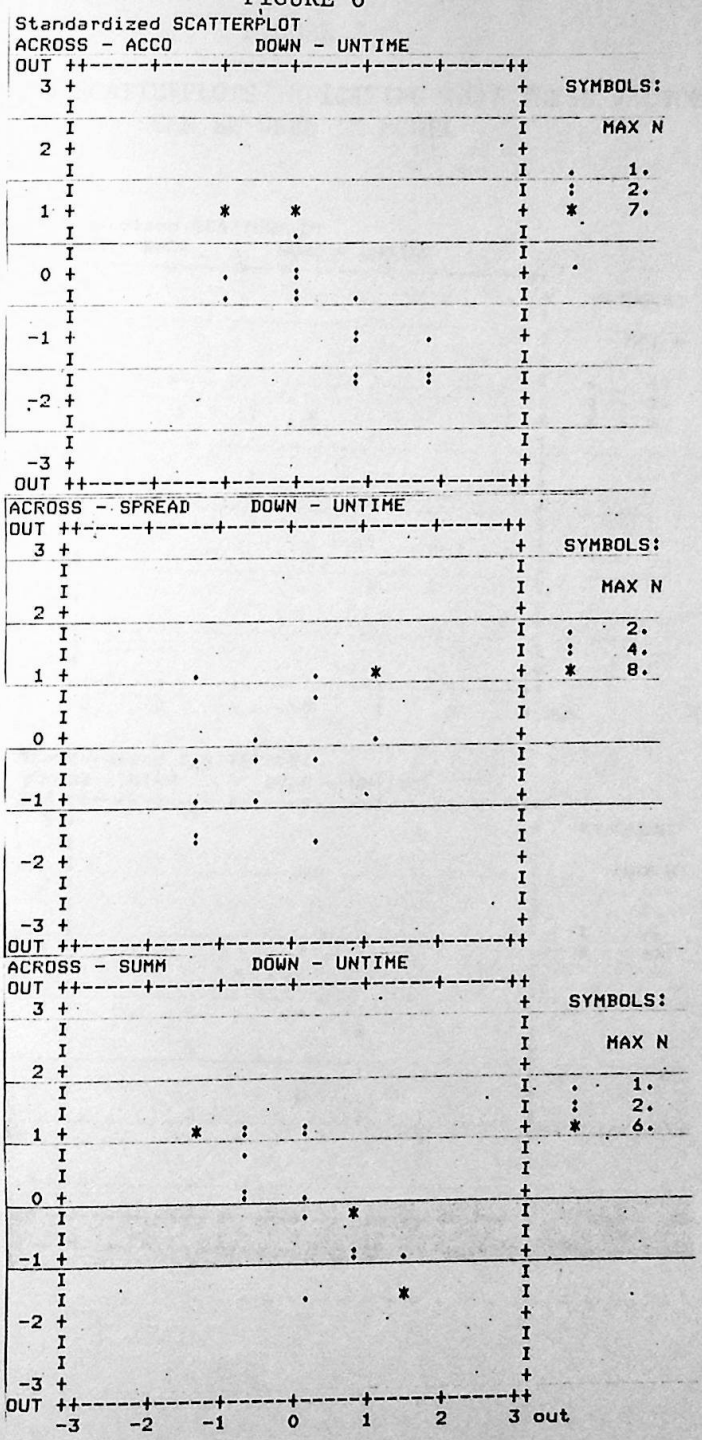
F = 15.95377 Signif F = 0.0000

---------- Variables in the equation ----------

Variable	B	Se B	Beta	T	Sig T
STRA	-0.24202	0.24891	-0.14602	-0.972	.3431
ACCO	-0.73755	0.31165	-0.38885	-2.367	.0287
SPREAD	0.01559	0.29943	0.00963	0.052	.9590
BACK	0.12803	0.28794	0.07725	0.445	.6616
SUMM	-0.70161	0.31165	-0.51126	-2.251	.0364
(CONSTANT)	9.14305	1.76589		5.178	.0001

MODEL FOR PREDICTING DOWNTIME USING ALL THE SIGNIFICANT FACTORS DISCUSSED

FIGURE 6



RANDOMIZED SCATTERPLOTS INDICATING THAT THESE FACTORS CAN BE USED IN THE MODEL

FIGURE 7

RANDOMIZED SCATTERPLOTS INDICATING THAT THESE FACTORS CAN BE USED IN MODEL

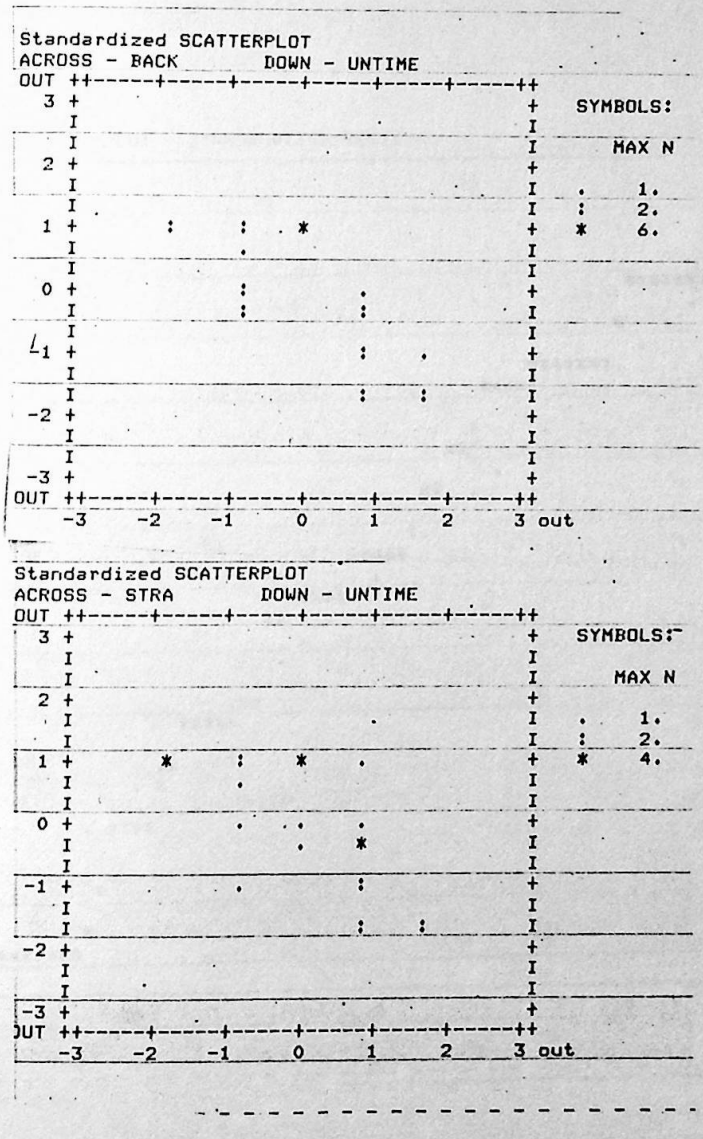
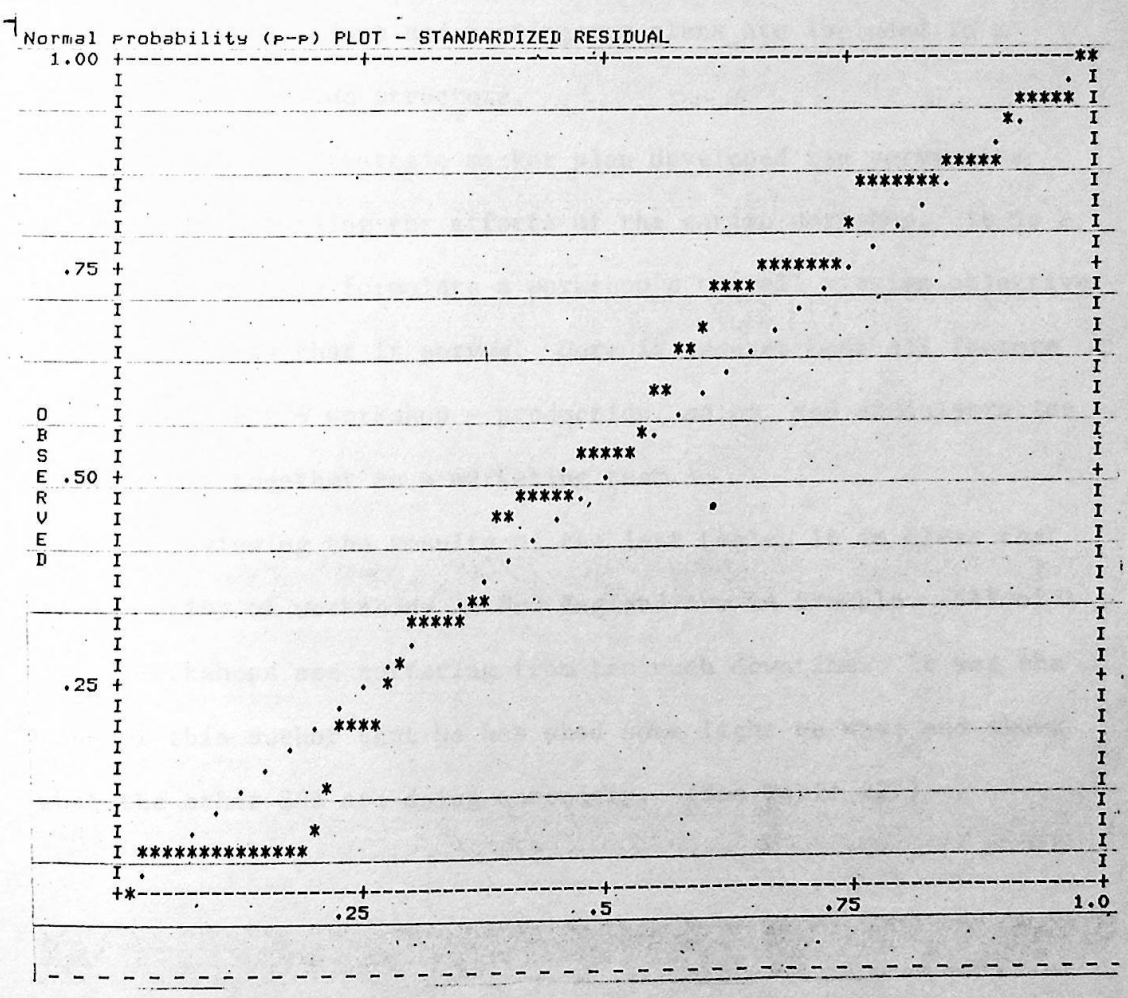


FIGURE 8

LINEAR RESIDUALS FROM MODEL, INDICATING AN ACCEPTABLE EQUATION FOR EQUATION PRODUCED IN TABLE 20



Conclusion

Several principal conclusions may be drawn. First, the hypothesis has been successfully tested; it is practical and can be an invaluable guide to the marketing department of a vocational rehabilitation workshop. It ensures that all factors - promotion, strategies and actions and contingency plans are included in a coherent and unified structure.

Second, the strategic market plan developed can serve as a guide to centralizing the efforts of the entire workshop. It is a tool that can help formulate a workshop's overall mission objective for the clients that it serves. Here it ensures that all factors that can affect a workshop - production, sales, and administration are brought together as a marketing team.

In reviewing the results of the last table, it is clear that the majority of workshops in New England are in trouble. 44% of these workshops are suffering from too much downtime. It was the hope of this author that he has shed some light on why; and shown what the other 28% are doing correctly. (See Table 22.)

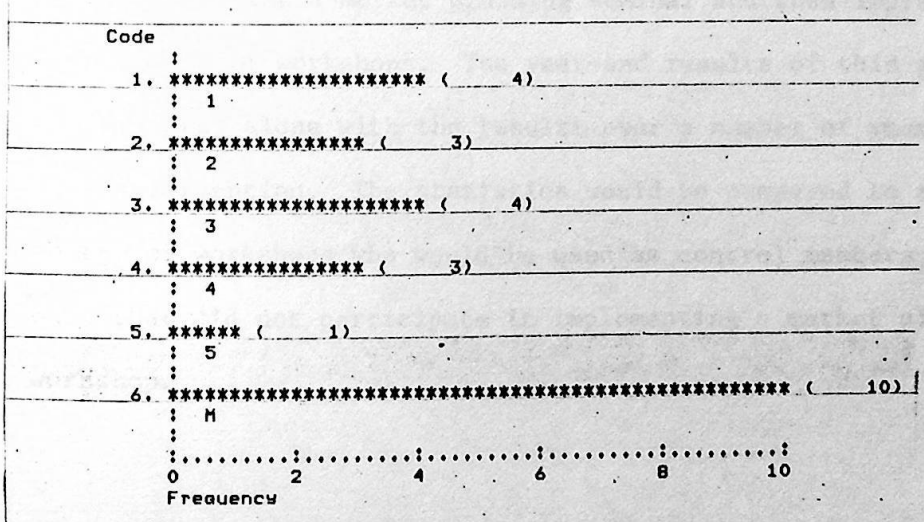
TABLE 22

UNTIME AMT DOWNTIME

Category label	Code	Absolute freq	Relative freq (%)	Adjusted freq (%)	Cum freq (%)
1	1.	4	16.0	16.0	16.0
2	2.	3	12.0	12.0	28.0
3	3.	4	16.0	16.0	44.0
4	4.	3	12.0	12.0	56.0
5	5.	1	4.0	4.0	60.0
M	6.	10	40.0	40.0	100.0
	Total	25	100.0	100.0	

WORKSHOP ANALYSIS
DATA SCREENING
File WORKSHOP (Creation date = 10-Jul-82) STUDY

UNTIME AMT DOWNTIME



Mean	3.960	Median	4.000	Mode	6.000
Std dev	1.968				
Valid cases	25	Missing cases	0		

FREQUENCY BREAKDOWN OF DOWNTIME FACTOR

Recommendations

As a result of this study, these specific recommendations can be made to the Executive Director. First, the marketing team must be assembled and responsibilities clearly delegated. Second, the strategic marketing plan should be formulated in terms that will serve as a guide to action in specific instances.

Recommendations for Further Research

Further research upon the effects of Market Planning on a workshop should be encouraged. One possible research design would be more efficient but also a more time consuming method of studying the effects of marketing planning. This study would consist of first conducting a market planning seminar and then implementing it in a number of workshops. The year-end results of this group would be tabulated along with the results over a number of years before this intervention. The statistics would be compared to a selected number of workshops who would be used as control members; that is, ones that did not participate in implementing a market plan in their workshop.

APPENDIX I

STRATEGIC MARKETING DESIGN

1982

TABLE OF CONTENTS

TABLE OF CONTENTS (CONTINUED)

PART ONE - PROFILE

A. The Kennedy Center Workshop

The Kennedy Center is a private, non-profit Vocational Rehabilitation Center for mentally retarded individuals. It has been operating in the Bridgeport area for over thirty years. Only within the last couple of years has it occupied its present location, an old manufacturing plant which has been completely renovated to serve the purpose of rehabilitation. It consists of 70,000 square feet of which 20,000 is used as a workshop and 10,000 square feet is used as a warehouse with loading docks.

The individuals, or client-workers, who are affiliated with the Center, receive vocational training on an array of contracts procured through industry. The contracts at the present time include assembly, envelope stuffing, heat sealing, shrink wrapping, salvaging, sorting, packaging, etc. These contracts have two things in common: one, the contracts for the most part are processed within two weeks, and are thus considered short term; and two, they are labor intensive with a heavy emphasis on simple manual assembly.

At the present time two hundred and fifty handicapped individuals receive vocational training. Approximately ten percent of the clients are placed in industrial positions in the community each year. This is accomplished through the efforts of an in-house Placement Counselor. Since many of the clients have low-level functioning capabilities, the emphasis at the center is to provide a sheltered environment - a place where a handicapped person can increase his

potential at his own pace. This is available through the combination of the recreational, counseling, educational and vocational departments.

Each contract described above is procured by a Marketing Representative. The contract is evaluated and priced out by means of a time-study on normal individuals. As accepted by the Department of Labor, each operation is based on the current minimum wage for Connecticut, or above. A piece rate is established for each operation that a client performs based on the time-study. There is a mark-up of between 50% to 100% over direct labor to cover overhead costs.

The agency is funded on a per-diem basis for each client. Clients that fail to come in or refuse to attend because they anticipate no work translates into the agency suffering economically.

The handicapped worker performs under the direction of a vocational instructor who is in charge of twenty clients. Each worker is encouraged to reach the standard norm that is established for an operation. On the average, a client will be functioning at 10% of the standard norm. It is essential that the workshop maintain full production so as to continue the training process for the clients. It is especially important to keep the workshop at a productive rate similar to that of a normal work setting for those whom we expect to place in industry. Those who will remain sheltered employees can improve their production rate with proper training and patience,

provided by the staff at the Kennedy Center. The client-workers are earning money for themselves and by themselves as members of society. Workshops that are slack in production lose the support of the community, and in turn the necessary financial support.

Prior to the present Marketing Representative, there were frequent "downtimes" or periods of underutilization of the work force, wherein clients were not receiving any wages. The present Marketing Representative was hired to achieve one objective: full production for the growing workshop.

Hired in May of 1979, he immediately brought the workshop up to full production. His strategy, as opposed to the previous Contract Procurement Officer, was to recognize a much wider market for the workshops' services. He tried to position the agency as specialists in assembly and packaging, and considered his market as comprising every manufacturing company within a 150 mile radius, with a work force of 100 or more. Previously, the Contract Procurement Officer was seeking collation work from printing houses in just the Bridgeport area. The present Marketing Representative broadened the number of manufacturing companies that the Kennedy Center subcontracted by 300% at year-end.

B. 1982 Economic Forecast

The forecast for 1982 for many manufacturers is quite pessimistic. The general opinion by many economists is that there will be little to no growth in 1982, with a slight possibility of continued slippage due to the recession. Economists in and out of

the government predict that this quarter's rate will be down 3% or more, given weakness in industrial output and sales. The nation's unemployment rate, which reached 8% in October, is expected to climb.

Data Resources is predicting that the economy will continue to drop in the first quarter of 1982 at about an adjusted rate of 2%. Recovery is predicted in the second quarter, next year, and will begin with an anemic 1.5% annual rate.

C. Report on Competitive Factors

There have been two new workshops that have entered the area in 1980 - the Jewish Home for the Elderly and the United Cerebral Palsy. The Kennedy Center has been supplying work to the Jewish Home and established a mutually beneficial relationship with them. The United Cerebral Palsy however, has underbid us on one collation contract to date. Nonetheless, because they have only 30 clients, the Center does not anticipate too much slippage.

Goodwill, the only other workshop in Bridgeport, has a superior material handling system and is recognized in the Bridgeport area for its modern assembly line operations and higher-functioning workers. However, it has only forty clients that work on sub-contracts, limiting its contract turnover capability. Goodwill, as with the Kennedy Center, tries to compensate for any lack of capability to perform a contract by turning to other workshops whether it is for additional manpower or machinery. Thus, the

negative competitive experiences one would expect from workshops fighting for contracts is minimized and, in some aspects, has a synergistic effect.

Our main competitive factors are: one, the choice to keep the work in-house; two, shipping the operation overseas; three, commercial packaging subcontractors, who design the package and automate production; four, automating the operation for in-house production; five, eliminating the process.

The workshop usually introduces its services to a new company as a cost-savings alternative to in-house assembly and asks to be part of the make-or-buy decision. With the rising costs of energy and overhead costs, the savings to the company can be significant. In 1982, the workshop will still enjoy the competitive edge over in-house production on many manually performed assembly operations.

PART TWO - MARKET STRUCTURE

A. Contractor's List

In examining our subcontracts for 1981, we have a customer base as follows:

Type	# %	Sales %
1. Manufacturers	74	89
2. Hospitals	1.5	8.8
3. State Agencies	7	7.8
4. Entrepreneurs	13	1
5. Banks	1.5	.75
6. Universities	3	.25

As shown here, the bulk of our services are performed for large manufacturers located in Southeastern Connecticut.

B. Identification of Buying Habits and Attitude of Contractor

1. The Purchasing Agent is our contact at facilities employing over 100 workers.
2. Presidents and owners are our contacts at smaller contractor's facilities.
3. Cost is crucial in many make-or-buy decisions. If the operation is automated, we can not compete. If the job is performed manually, then it can be broken down into simple steps, and doesn't require any sophisticated machinery, then we can be an attractive alternative.
4. Quality and delivery time is a key focus.
5. Immediate quotes and immediate start-ups are regularly demanded from the contractors.
6. Warehousing is a positive selling feature.
7. Our past performance determines if we remain on the vendor's list for future bids.
8. Repeat business is determined upon the availability of similar work.
9. Short-run contracts of one to two weeks are the general rule and our strength.

C. Nature of Subcontracting Services

Every workshop across the nation has difficulty in maintaining full capacity. Just recently many large workshops have been incorporating some marketing techniques into their operations so as to plan their future's better. But, for the most part, they are plagued with rapid turnover of management staff and "downtime."

By itself, the nature of subcontracting assembly and packaging operations for industries has some advantages to it. The primary one, the reason why workshops have entered the field in droves, is that there is no needed capital investment, the resources many workshops lack. Another advantage is that many assembly operations are simple enough that they can be performed by the majority of the client-workers.

The disadvantages are just as numerous. It is impossible to predict which contract the shop will be working on two weeks away. There are many competitive factors, so bids must be low. The workshop is dependent upon the contractor to make deliveries of raw material as promised, or they find themselves without work. The contracts are usually expected to be turned over fast, putting pressure on the crews.

As with other workshops in 1981, the Kennedy Center had difficulty in maintaining full capacity due in large part to the aftermath effects of losing two contracts that accounted for 46% of the 1980

gross sales figures. At the start of 1981, we lost a large General Electric contract which was developed over the previous three years to the point that in 1980 it accounted for 27% of the Workshop's total gross sales, a total of $49,000. The reason for the change was that General Electric was no longer legally required to continue the contracted operation of sorting the returned warranty cards from their various appliance customers. The warranty cards now are simply dumped into a warehouse, whereas previously, we sorted and counted the cards.

While at the same time, Warner-Lambert, our second largest contractor in 1980, dropped purchases by 60% due to the fact that their particular razor, to which we assemblied a pusher-cleaning component, was not selling as fast as it did in 1980.

Many companies in the latter part of 1981 have begun cutbacks. For example, Bryant Electric brought back to their facility a contract that we started a week earlier, so that their employees could continue to work longer before they begin handing out pink slips. In the past, the trend of our services has been in keeping with the movement of the national industrial production.

In 1980, full production in the workshop continued up until July and August. Every manufacturer cut back or dropped contracts at this point, matching the national trend for production. (See Appendix D.) The workshop went scrambling to find new contracts and found the recession cutting into every manufacturers' production.

PART THREE - MISSION OBJECTIVE

The Kennedy Center Workshop has a two-fold mission. One, provide vocational training to the handicapped so as to increase their overall potential as individuals and as members of the community. Second, to promote the many untapped potentials and skills of the handicapped to the community at large so that in turn they may be utilized.

PART FOUR - WORKSHOP GOALS

The Kennedy Center's goal is to maintain employment for all of its workers. Presently the Center has 275 workers and at year end, 1982, it should have 300 workers.

The second goal is to strengthen the relationship it has established with the industrial community and to broaden the awareness of our worker's capabilities to more groups and industries.

PART FIVE - MARKETING OBJECTIVE

The Kennedy Center's marketing objective is to maintain as many contracts as possible despite the expected downturn in 1982 in industrial production. As projected, the 1982 gross sales from this should be $145,200. This will secure the workshop 80% of its production capacity for 1982 as detailed in the Production Objective Section of this paper.

Our second objective is to attain new contracts. We will need $27,200 from new companies for our assembly and packaging services. This will maintain 15% of our productive activities.

Our third objective is to introduce a pen product line geared to meet the needs of our customer base. We have chosen to introduce two pens as opposed to any other product because first, it can be procured by many of our present customers as an auxiliary product from the Kennedy Center, and secondly, it can be assembled by 79% of our client-workers. In 1982, we want to attain $58,000 in gross sales for this line. This figure is miniscule in relationship to total pen revenue, so we are not looking to affect any real market share. While the majority of pens are distributed through retail outlets, we will target our present customer base. We hope to better service these accounts with custom-made pens, discount prices, and imprinting with logos or names. This will further allow them to support our community service agency. In turn, it will allow the many companies that could not support us due to the nature of their business -- automated services, banks, universities, etc., -- this offering will give them the opportunity to purchase our product.

Thus, the pen line will broaden our customer base and relieve the workshop of the now almost total dependency on its manufacturing base. This will allow the workshop to counter-attack the downward pressure expected from the continued recession in 1982.

A. Existing Customer Strategy

In order to remain attractive to existing and future contractors, we will promote the following:

1. Upgrade our production scheduling system so as to make timelier deliveries.

2. Increase communication between present contractors and the Production Department by having the Workshop Superintendent submit a weekly memo to the Program Coordinator and Marketing Representative detailing calls and results.

3. Upgrade packaging equipment so as to obtain the existing state of the art in packaging. Investigate purchasing Blistor Packaging and Bagging Equipment.

1982 Projected Gross Sales
with Present Contractors

Sun Hill	$20,000	State National	$2,400
St. Vincents	15,000	Bryant	1,000
Warner Lambert	15,000	Cerreta	0
Fort Lee	0	Gotham	0
Comar	11,000	Remington	1,000
Jolen	10,000	Producto	1,000
Pak	0	Sikorsky	1,000
Timex	5,000	Milford Chamber	0
Denan	7,200	Bechson	1,000
Clean Queen	0	Neva Clog	500
Bigelow	2,000	Reliable	1,000
WFR	5,000	Graphics	500
Carf	5,000	General Electric	200
Gaynor	5,000	Pem Plastic	1,000
Waterbury	5,000	Country	1,000
Dictaphone	5,000	ARCO	0
Best Rite	0	Stauffer	0
Bpt. Metal	3,000	SKF	500
Translite	3,000	Roller	300
AVCO	2,000	Norden	1,000
Clairol	3,000	Solomon	0
Hawie	3,000	Lifetime	0
Saab	1,500	Westport	300
Vanderburg	3,500	Stacie	0
Neill	1,500	Hubbell	200

1982 Projected Gross Sales
with Present Contractors
(Continued)

Stranton	$ 0	Bic	$ 0
Norwalk	170	Jai Lai	0
OBTA	0	Capp	0
Cardan	0	Dardren	0
Fast	0	Pitney	0
Eddco	120	Stuhban	0
OJB	0	Paltesor	0
Vogel Sales	100	Thurson	0
Print Form	0		

Projected Total $145,200

B. New Customer Strategy

1. Projected Sales

We anticipate a need of enough new contractors to input $27,200 worth of gross sales in 1982's final tally. This translates into the need to generate a new contract each month able to gross $2,200. We will be seeking this from our targeted market of manufacturers.

C. Pen Product Strategy

1. Targeted Market

Our targeted market again will be our present customer base. However, we anticipate that the proportion of sales will convert many of our lower sales volume participants into the higher echelon. The break down from an initial study is as follows:

a. Banks 40%

b. Hospitals 20%

c. Universities 20%

d. Manufacturers 10%

e. Entrepreneurs 10%

2. Buyer Needs

Our product line will be distributed freely throughout the prospective companies, to their employees or to their customers. They will be seeking an inexpensive pen that is capable of being imprinted.

3. Competitive Analysis

Arlo Stationary Stores		Fidelity Mail Order	
Bic Stick	.29	Bic Stick	.23
Bic Retractable	.79	Retractable	.205
Bic Nylon Marker	.49	Printed	.035
Bic Office Pen	.29		
Bic Fine Point	.39		

4. Promotion

A two-fold campaign stressing the good will the company will purchase along with the inexpensive top quality pen.

a. Telephone campaign to obtain list of people to send pen package, sales letter, and order forms to selected monthly target.

b. Mail campaign to selected monthly target which will include our promotional pen package.

5. Product Line and Price Breakdown

Initially our product line will consist of 5 pens. It is important to have some depth and five pens may be all that

we can support at the present time. Our product line meets the buyer's needs and is as follows:

Pen	Selling Price	Mark-Up
Nylon Marker	.35	100%
Aluminum Pen	.39	100%
Stick Pen	.22	75%
9 Part Retractable	.29	75%
7 Part Retractable	.25	75%

(See Cost Matrix in Appendix F.)

Our imprinting charge will be .035/each, our costs will be .03 to have the imprinting performed for us. If the program is successful, the center should investigate the break-even point wherein the purchase of an imprinting machine is feasible. The machine alone will generate sales from other manufacturers who need imprinting done, and will allow us to service orders faster.

6. Production

After initial promotional production, the sales orders will determine any further purchases of raw material. Therefore, the cost of investment into this industry is low.

7. Future Research

Further research in 1982 is to be directed at obtaining the lowest material costs possible. In this industry, it is apparent that the lowest price will translate into the greatest number of sales.

Other avenues of distribution should also be investigated. If the pens could be distributed through a mail-order house, that is one alternative. Another is if they could be placed in vending machines in banks.

8. Projected Sales

Month	Sales Volume	# Pens
January	$ 500	1500
February	$1000	3500
April	$1500	5000
May	$2000	7000
June	$2500	8700
July	$3500	12000

D. Comprehensive Four Month Layout

1. January

a. Release 1981's Outstanding Industrial Support Award to selected candidate.

b. Assemble 1000 pens of five kinds into promotional letter to be distributed from telephone campaign leads.

c. Concentrate upon bank in telephone and mailing campaign for pens.

d. Release P/R to newspaper of first contractor to purchase pens.

e. Release letters to Board on new product.

f. Release letter to Kennedy Center's monthly newsletter on new product.

g. Obtain $2,200 subassembly contract from a new source.

h. Contact all previous January contractors for additional subcontract work.

2. February

a. Concentrate telephone and mail campaign upon hospitals for pen contracts.

b. Research for lower pen costs.

c. Release letter to all Parents and Friends about new pen product.

d. Release P/R to papers of first pen contract from a hospital.

e. Obtain $2,200 subassembly contract from a new source.

f. Contact all previous February contractors for additional subcontract work.

3. March

a. Concentrate pen campaign on universities.

b. Release P/R of first university contract.

c. Release letter to other universities about first university contract.

d. Research ad placement promoting pen product target: Purchase Agents within 100 miles radius.

e. Obtain $2,200 subcontract

f. Contact all previous March contractors.

g. Review marketing achievements; make any necessary adjustments to achieve goals.

4. April

a. Re-concentrate pen campaign on manufacturers.

b. Release ad promoting pen to manufacturers.

c. Research alternative distribution.

d. Write up next four month lay-out after careful analysis of marketing achievements.

e. Obtain $2,200 subassembly contract.

f. Contact all previous April contractors for additional subassembly contracts.

g. Release P/R on first manufacturer to purchase largest order.

h. Conduct study on our services and products to our customer base.

PART SIX - ADVERTISING OBJECTIVE

The overall objective of our advertising is to obtain the communities' awareness and necessary support of our services so that we can continue to provide vocational training to the handicapped.

We hope to accomplish this via free public relations' reports in the area newspapers. Presently we do receive strong support from the Bridgeport newspaper, as indicated by the reporting frequency of our varied activities. Our strategy is to support

our overall marketing plan by releasing a monthly community support award to the company that purchased the highest amount of products or services.

PART SEVEN - FINANCIAL OBJECTIVE AND STRATEGY

The Kennedy Center Workshop is an offshot of Parents and Friends of Retarded Citizens. It is located in the same building and many of the staff perform a dual role of counseling, training and production. So there is no delineation as to how much the Kennedy Center should support the overhead costs associated with running Parents and Friends of Retarded Citizens, Inc. The clients that come into the program must pay a per-diem rate of approximately $15. Much of this is used to support the many programs and operating costs associated with Parents and Friends.

Of course, the Kennedy Center Workshop's overall financial responsibility is to see that our workshop is kept fully productive. If the workshop falls below this target, it will slowly lose support from the state agencies and in turn lose the client fees that overwhelmingly support the entire agency.

Presently we use a figure of 75% above direct labor to estimate and quote on bids. This figure is supported by the Department of Labor as an acceptable standard for workshop quotes, therefore we use it. Of course, higher figures could be used by our workshop, but the higher they get the less contracts come into our hands.

Certainly further research by our accountants should be done to help us pin point a proper pricing formula.

The financial picture for 1982 should be as follows:

1982

	Pens	Subcontracts	Total
Gross Sales	$58,025	$181,522	$239,547
Cost of Goods	22,300	-	22,300
Direct Labor	5,778	103,728	109,506
Gross Margin	29,086	77,794	106,880
Gross Margin Total Sales	12%	32%	44%

Certainly from this analysis, our pen product line will help increase the profit or gross margins by a significant amount. Considering the fact that only 5% of the work force will be operating on this product, plans should be made to expand this line in 1983 as much as possible.

PART EIGHT - PRODUCTION OBJECTIVE AND STRATEGY

Our production objective is to get as close as possible to 100% of total utilized capacity. We will have 300 workers in 1982 by year's end. A careful analysis of 1981 can help us project the necessary amount of labor hours that must be filled.

Since the average production of our workers is only 10% of a normal worker, we mush have on any given day in 1981 enough work for 123.75 hours. The breakdown is as follows:

1981

Number of Clients	275
100% Norm Equivalency	27.5
4.5 Working Hours	123.15
5 days	618.75
4 weeks	2475
At Minimum Wage $3.37	$8341
75% Overhead	$14,596/month

The interpretation of this data is that $14,596 of monthly sales must be achieved to obtain full capacity. In looking over the monthly figures of 1981, it must be remembered that there are lags from production until it is invoiced as a final product. For example, though January had sales of only $13,193, we did have 100% capacity, since February sales were above $18,000.

With this in mind, our 1981 figures show that we were significantly below standards in July. In fact, July was the only month in 1981 that we suffered a two week period slow-down.

Of course, this analysis is simplistic and doesn't take into consideration many factors such as attendance, contracts above minimum wage, etc.

So too, with 1982, though we will not have 300 clients in the beginning of the year. For the purpose of a gauge, we will set the standard at 300. Therefore:

1982

Number of Clients	300
Norm Equivalency	30
4.5 Working Hours	135
5 Days	675
4 Weeks	2700 hours
Minimum Wage $3.37/hr.	$9099
75% Overhead	$15,923

Our 1982 strategy will be to obtain 15% of our gross sales from subassembly services, so our monthly goal will be $15,125, or 2565 working hours. The other 5% of our work force will be on pen assembly with projected figures as indicated previously.

PART NINE - PERSONNEL OBJECTIVE AND STRATEGY

Our personnel objective is to offer vocational opportunities to all our handicapped workers with the ultimate focus upon increasing their potential. Therefore we will need to maintain a wide spectrum of contracts so as to challenge all our workers. Our strategy is to:

1. Bring in new contracts which are simple, manually intensive, and on-going.
2. Obtain some machine related operations for our higher functioning clients.
3. Teach clients to reach up and attain skills necessary to perform operations once beyond their reach.
4. Place clients in industries that they prefer.

PART TEN - INTEGRATION

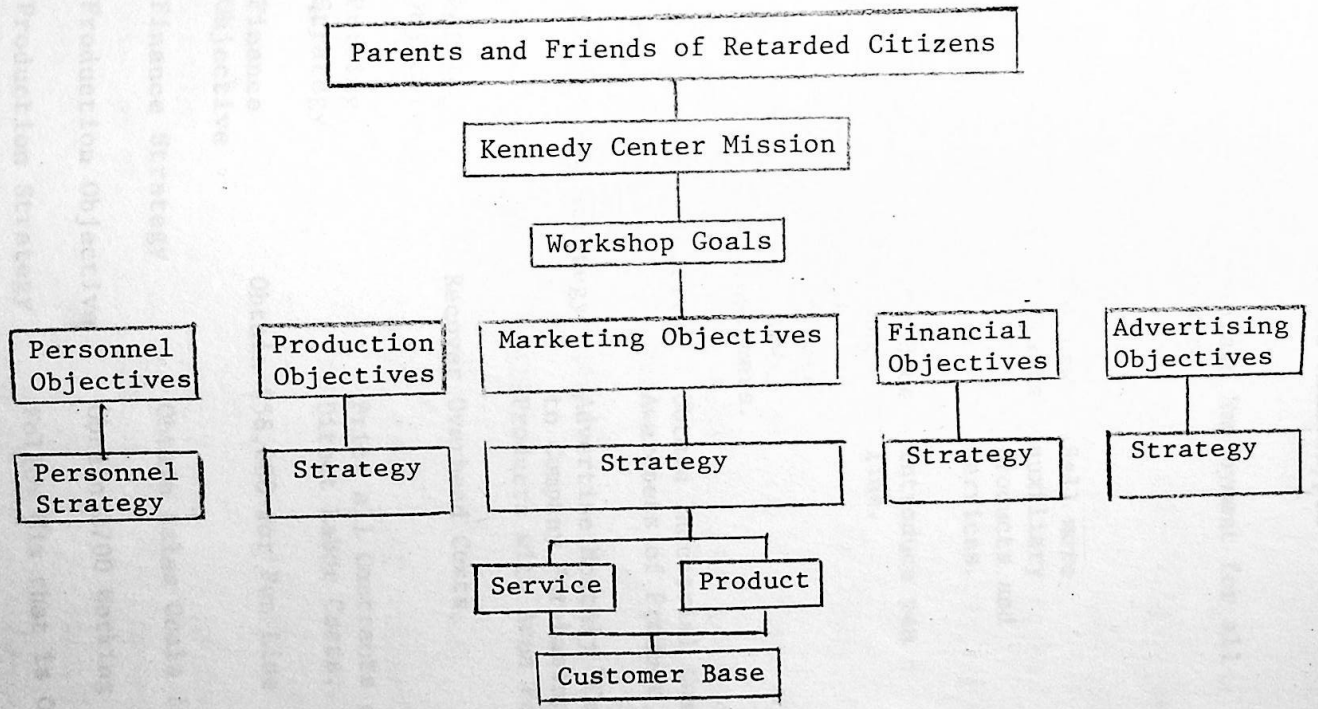
A. Controls

1. Study monthly sales figures.
2. Evaluate results from public relations awards.
3. Evaluate production levels and needs.
4. Compare each contractor's sales performance with previous monthly sales figures.
5. Evaluate pen sales as to targeted goals.
6. Evaluate monthly need for additional contracts and adjustments.

B. Summary

We look at 1982 to be a good year for the handicapped workers at the Kennedy Center Workshop. A new product or service mix will be developed so as to secure a new customer mix, one that is not as dependent as presently upon service contracts with manufacturers. This movement will support our mission to provide vocational training to the handicapped and enhance our image to the industrial community.

C. Overview


Parents and Friends of Retarded Citizens
Kennedy Center Mission
Workshop Goals
Personnel Objectives
Production Objectives
Marketing Objectives
Financial Objectives
Advertising Objectives
Personnel Strategy
Strategy
Strategy
Strategy
Strategy
Service
Product
Customer Base

D. Hierarchy of Objectives

Kennedy Center Mission	Provide Vocational Training to the Handicapped		Enhance Image with the Industrial Community
Kennedy Center Goals	Maintain Employment for all Workers		Strengthen Relationship between the Center and the Industrial Community.
Marketing Objectives	Seek new Contracts	Sell more auxiliary products and services.	Seek to maintain sales with on-going Contracts.
Marketing Strategy	Introduce Product and Services to new customers.	Introduce pen line.	Promote Awareness Campaign to Broaden Contractors Knowledge of our Offerings.
Advertising Objective	Obtain Industrial Community Overall Awareness of Product and Services.		
Advertising Strategy	Advertise Monthly "Community Support Award" to Company Purchasing Services and Products with Area Papers.		
Pricing Objective	Recover Overhead Costs		Neet Competition
Pricing Strategy	Price all Contracts at 75% or above Direct Labor Costs.		
Finance Objective	Obtain $58,000 for Pen Line		Obtain $181,522 for Subcontracts.
Finance Strategy	Obtain Sales Goals for each Month.		
Production Objective	Obtain 2700 Working Hours per Month.		
Production Strategy	Follow Mix that is Outlined.		
Personnel Objective	Increase Worker Potentials.		
Personnel Strategy	Maintain a Spectrum of Contracts so as to Challenge Workers.		

Appendix A

SUB-CONTRACTS

1980

G.E.	$48,944.98	27%	Rolling	$584.32
Lambert	34,387.56	19%	Lifetime	575.03
Comar	10,866.77	6%	Remington	528.03
Jolen	7,704.05	4.3%	Essex	513.16
Union Fidelity	6,278.00	3.5%	Easter Seal	500.00
Best-Rite Pen	5,263.35	3%	R & R	481.32
Waterbury Pen	4,451.81	2.5%	Mgmt. Forms	454.50
Practical	4,133.86	2.3%	Conn. Pencil	453.25
Bpt. Metal	3,245.88	1.8%	New England	416.41
Edwin Gaynor	2,765.07	1.5%	Bader	362.75
Dictaphone	2,569.89	1.4%	Carpenter	352.76
Clean Queen	2,546.01	1.4%	Bpt. Machines	250.43
Stacie Pen	2,508.28	1.4%	A/D	229.75
Krautkramer	2,453.17	1.4%	United Jewish	205.00
CARF	1,742.46	.9%	Staples	201.00
Spectrum	1,682.50		Moore Tool	160.00
Reynolds	1,515.57		Minigrip	142.92
Univ. of CT.	1,458.00		Housatonic	132.46
SAAB	1,438.85		Manpower	129.70
Businesserve	1,128.75		Inter-city	128.70
SKF	1,231.65		Milford Chamber	127.04
Producto	1,053.99		Koenig	120.75

Appendix A (Continued)

SUB-CONTRACTS

1980

Rob Cerreta	$ 1,034.50	EDDCO	$ 78.61
Neill Tool	1,024.19	Norwalk	76.25
Warner Pkg.	1,014.03	Patterson	79.60
Bryant Electric	985.02	Sprague	75.00
American	978.40	D'Andrea	74.95
Clairol	940.46	Corbett	69.48
Pitney Bowes	922.47	U. S. Motors	65.52
AVCO	857.49	Knudsen Moore	46.86
Beckson	834.71	Trudy Toys	37.43
Pak	754.56	Accurate	27.20
Meyer	750.00	ESB	21.84
Hawie Mfg.	676.53	Trans-Lite	126.57
Neva-Clog	606.96		

Appendix B

SUB-CONTRACTS

1981

Company	Sales	%	Index
Sun Hill	$15,050	9	M
St. Vincent	14,589	8.7	H
Lambert	13,875	8.3	M
Fort Lee	13,975	7.2	M
Comar	10,750	6.5	M
Jolen	9.414	5.7	M
Pak	9.299	5.6	M
Timex	7.359	4.4	M
Dinan	7.200	4.3	S
Clean Queen	5,401	3.25	M
Bigelow	5,049	3	M
WFR	4,635	2.8	M
CARF	4,744	2.8	S
Gaynor	4,520	2.7	M
Waterbury	4,090	2.5	M
Dictaphone	3,402	2	M
Best-Rite	2,894	1.7	M
Bpt. Metal	2,797	1.7	M
Trans-Lite	2,745	1.6	M

KEY

Index	Number
M = Manufacturers:	52
H = Hospitals:	1
S = State:	5
B = Banks:	5
E = Entrepreneurs:	9
U = Universities:	2
Total	70

Appendix B (Continued)

SUB-CONTRACTS

1981

Company	Sales	%	Index
AVCO	$ 2,650	1.6	M
Clairol	2,242	1.3	M
Hawie	2,208	1.3	M
SAAB	1,431	.86	M
Syntex	1.322	.8	M
Vanderburg	1,294	.8	M
Neill	1,259	.7	M
State Nat.	1,250	.7	B
Bryant	1,192	.7	M
Cerreta	1,187	.7	E
Gotham	1,085	.6	M
Remington	953	.6	M
Producto	935	.6	M
Sikorsky	935	.6	M
Milford	860	.5	S
Beckson	703	.4	M
Neva Clog	656	.4	M
Reliable	653	.4	M
Graphics	621	.4	M

KEY

Index	Number
M = Manufacturers:	52
H = Hospitals:	1
S = State:	5
B = Banks:	5
E = Entrepreneurs:	9
U = Universities:	2
Total	70

Appendix B (Continued)

SUB-CONTRACTS

1981

Company	Sales	%	Index
G.E.	$ 592	.4	M
Penn Plastic	555	.4	M
Curtis	505	.3	M
ARCO	404	.2	M
Stauffer	375	.2	M
SKF	360	.2	M
Roller	327	.2	M
Norden	321	.2	M
Solomon	280	.2	M
Lifetime	225	.1	M
Westport H.S.	223	.1	U
Stacie	221	.1	M
Hubbell	216	.1	M
Stranton	175	.1	M
Norwalk C.C.	171	.1	U
GBTA	168	.1	S
Cordon	155	.1	E
Fast	154	.1	M
EDDCO	128	.08	M
OJG	112	.07	E

KEY

Index	Number
M = Manufacturers:	52
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S = State:	5
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U = Universities:	2
Total	70

Appendix B (Continued)

SUB-CONTRACTS

1981

Company	Sales	%	Index
Vogel Sale	$ 101	.06	E
Print Form	100	.06	E
Bic	98	.06	M
Bpt. Machine	93	.06	M
Jai Lai	91	.06	M
Capp	90	.06	E
T. Andrea	52	.03	E
Jewish Home	37	.02	S
Pitney Bowes	30	.02	M
Stickbar	27	.02	M
Patterson	18	.02	E
Thurston	5	.01	E

KEY

Index	Number
M = Manufacturers:	52
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S = State:	5
B = Banks:	5
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U = Universities:	2
Total	70

Appendix C

1981

January Company	Sales
Jolen	$ 1,083
Lifetime	164
Bpt. Machine	52
D'Andrea	18
Warner Lambert	2,555
Clean Queen	784
Pak	5,676
Waterbury	648
Stacie	221
Best-Rite	68
Comar	25
SKF	360
Cerreta	348
Dictaphone	221
Gaynor	371
CARF	371
Dinan Center	600
Total 18 Companies	$13,192.83

February Company	Sales
Jolen	$ 743
Neva Clog	164
D'Andrea	34
Warner Lambert	2,695
Clean Queen	398
Pak	3,622
Waterbury	881
Comar	27
Cerreta	23
Dictaphone	221
CARF	371
St. Vincent	1,460
Neill	29
Trans-Lite	343
Producto	359
OJG	8
Fort Lee	5,454
Pitney Bowes	31
GBTA	88
AVCO	1,270
Dinan Center	600
Total 21 Companies	$18,810

Appendix C (Continued)

1981

March Company	Sales
Jolen	$ 1,375
Bpt. Machine	41
Clean Queen	1,017
Waterbury	409
Comar	8
Cerreta	574
Dictaphone	772
Gaynor	640
CARF	371
St. Vincent	730
Neill	188
Trans-Lite	528
OJG	62
Fort Lee	6,521
GBTA	80
Beckson	275
Hawie	199
Vogel Sales	101
Jewish Home	37
Dinan Center	600
Total 20 Companies	$14,530

April Company	Sales
Jolen	$ 640
Clean Queen	11
Comar	950
Cerreta	11
Dictaphone	564
Gaynor	67
CARF	371
St. Vincent	1,460
Neill	66
Trans-Lite	240
OJG	33
AVCO	580
Hawie	718
Sikorsky	746
Timex	164
Gotham	42
Clairol	2,063
Hubbell	3
Dinan Center	600
Total 19 Companies	$9,323

Appendix C (Continued)

1981

May Company	Sales
Jolen	$ 991
Neva Clog	164
Clean Queen	1,504
Waterbury	1,270
Best-Rite	692
Comar	2,394
Cerreta	231
Dictaphone	221
Gaynor	426
CARF	434
St. Vincent	938
Neill	92
Trans-Lite	358
Beckson	33
Hawie	157
Timex	1,281
Gotham	93
Hubbell	95
Syntex	233
Westport	75
Bryant	218
WFR	92
Bic	98
Dinan	600
Total 24 Companies	$12,690

June Company	Sales
Jolen	$ 1,614
Warner Lambert	875
Clean Queen	861
Comar	1,811
Dictaphone	221
Gaynor	351
CARF	437
St. Vincent	2,205
Neill	106
Trans-Lite	396
Producto	228
OJG	11
Beckson	198
Timex	563
Gotham	391
Hubbell	83
Syntex	210
WFR	238
Norwalk C.C.	156
ARCO	187
Moore	5
Bpt. Metal	377
Penn Plastic	56
Bigelow	146
Dinan Center	600
Total 25 Companies	$12,325

Appendix C (Continued)

1981

July Company	Sales
Jolen	$ 968
Clean Queen	105
Waterbury	216
Best-Rite	215
Comar	6
Gaynor	510
CARF	388
St. Vincent	1,661
Neill	134
Trans-Lite	38
Gotham	153
Hubbell	15
WFR	212
Norwalk C.C.	16
ARCO	217
Bpt. Metal	351
Penn Plastic	97
Bigelow	111
Dinan Center	600
Stauffer	251
Curtis	264
State Nat.	400
Remington	105
Stickbar	27
Stranton	175
Roller	106
Total	$7,340
26 Companies	

August Company	Sales
Jolen	$ 171
Clean Queen	723
Best-Rite	1,353
Comar	437
Dictaphone	221
Gaynor	471
CARF	388
St. Vincent	1,285
Neill	54
Trans-Lite	103
Hawie	205
Gotham	116
Hubbell	20
Westport	148
Bryant	836
WFR	424
Bpt. Metal	390
Penn Plastic	134
Bigelow	924
Dinan	600
Stauffer	124
Curtis	19
State Nat.	200
Remington	156
Roller	120
Solomon	166
Patterson	18
Graphic	97
Total	$9,904
28 Companies	

Appendix C (Continued)

1981

September Company	Sales
Jolen	$ 1,242
Warner Lambert	1,750
Waterbury	20
Best-Rite	493
Comar	3,471
Dictaphone	221
Gaynor	1,205
CARF	388
St. Vincent	1,810
Neill	111
Trans-Lite	83
Bigelow	66
Hawie	202
Timex	5,165
Gotham	267
Syntex	642
WFR	1,027
Bpt. Metal	757
Penn Plastic	197
Bigelow	798
Dinan Center	600
Curtis	22
State Nat.	200
Remington	376
Solomon	114
Graphic	524
Cardon	155
Milford Chamber	260
SAAB	232
General Electric	3
Total	$22,404
30 Companies	

October Company	Sales
Jolen	$ 394
Waterbury	432
Best-Rite	74
Comar	1,252
Dictaphone	136
Gaynor	243
CARF	388
St. Vincent	872
Neill	264
Trans-Lite	454
Producto	358
Beckson	31
Hawie	407
Sikorsky	189
Timex	23
Clairol	37
WFR	1,035
Bpt. Metal	922
Penn Plastic	66
Bigelow	70
Dinan Center	600
State Nat.	250
Remington	64
Milford C.C.	300
SAAB	1,200
General Electric	589
EDDCO	128
Vanderburgh	286
Print Form	100
Jai Lai	91
Reliable	700
Capp	90
Total	$11,904
32 Companies	

Appendix C (Continued)

1981

November Company	Sales
Jolen	$ 94
Waterbury	112
Comar	370
Dictaphone	380
Gaynor	240
CARF	451
St. Vincent	1,168
Neill	115
Trans-Lite	102
Hawie	21
Clairol	24
Bryant	138
WFR	807
Penn Plastic	6
Dinan Center	600
State Nat.	200
Remington	152
Milford C.C.	301
Vanderburgh	508
Reliable	354
Fast	54
Norden	321
Sun Hill	1,300
Total	7,812
23 Companies	

December - Estimated Company	Sales
Jolen	$ 100
Neva Clog	165
Warner Lambert	4,000
Waterbury	100
Dictaphone	221
CARF	388
St. Vincent	1,000
Neill	100
Trans-Lite	100
ARCO	800
Beckson	100
Hawie	300
Syntex	200
WFR	800
Bigelow	3,000
Dinan Center	600
Curtis	200
State Nat.	200
Remington	100
Roller	100
Vanderburgh	500
Reliable	100
Fast	100
Sun Hill	13,750
Total	$26,023
24 Companies	

Appendix F

Pen Line Cost Matrix

	Marker	Aluminum	Stick	9 Part	7 Part	Total
Quantity	16,850	16,850	60,000	60,000	60,000	213,700
Unit S.P.	.35	.39	.22	.29	.165	
Gross	$5,897	$6,751	$13,200	$17,400	$15,000	$58,000
Unit Cost	.137	.18	.075	.094	.07985	
Shipping	.0137	.018	.0075	.0094	.007985	
Material	$2,539	$3,336	$ 4,950	$ 6,204	$ 5,270	$22,300
Direct Labor	-	.0374	.0169	.0374	.0315	
Total Labor	-	$ 630	$ 1,014	$ 2,244	$ 1,890	$ 5,778
Gross Margin	$3,358	$2,785	$ 7,236	$ 8,952	$ 7,840	$30,171
Promotion Cost	$ 177	$ 177	$ 177	$ 177	$ 177	$ 885
Mail Campaign	$ 40	$ 40	$ 40	$ 40	$ 40	$ 200
Net Margin	$3,141	$2,568	$ 7,019	$ 8,735	$ 7,623	$29,086

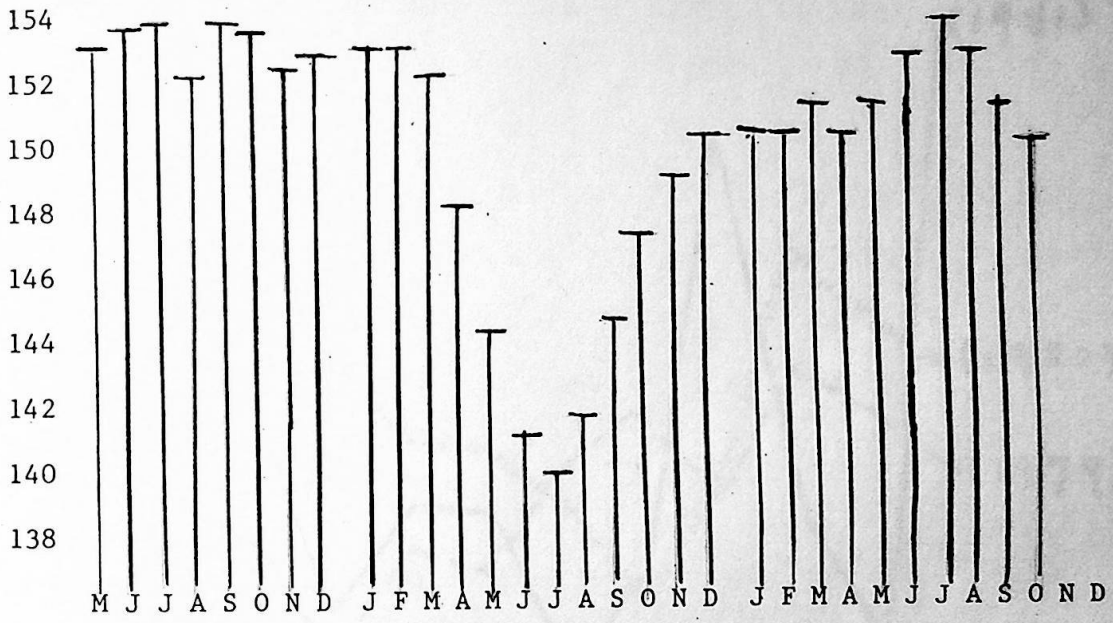
Direct Labor = $5,778 1982 Estimated Director Labor = $103,728
= 5.5%

Therefore, this should represent 5.5% of our Total Director Labor Cost and in turn 5.5% of our Production Capacity.

APPENDIX D

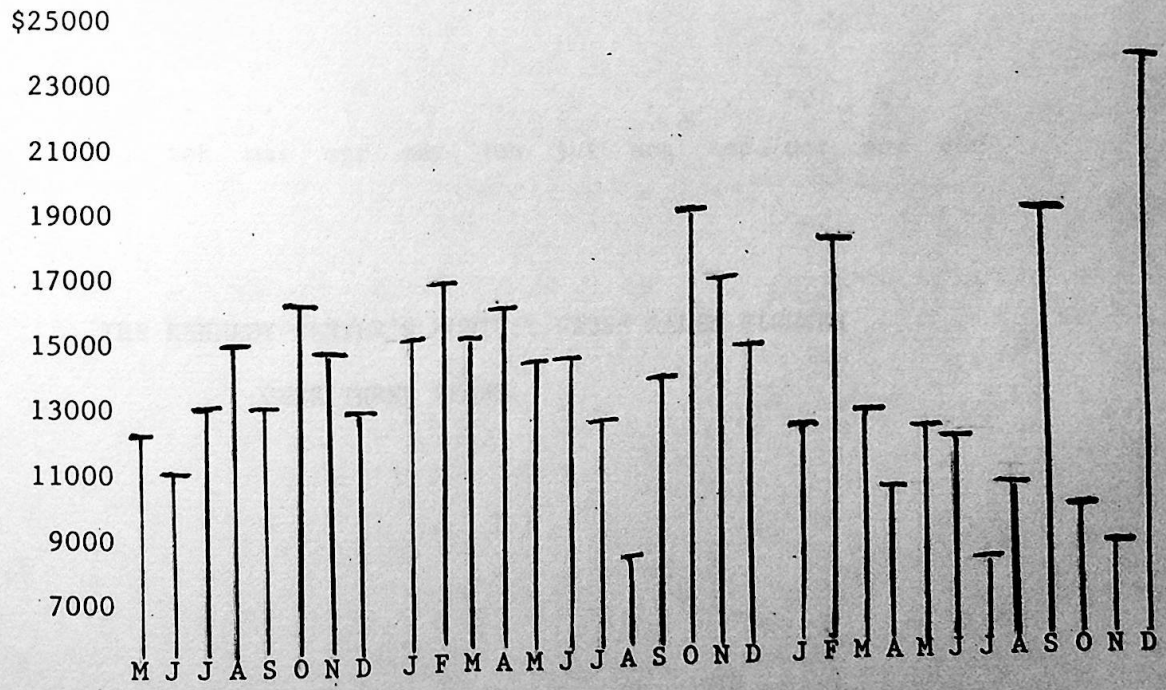
Industrial Production

Index of Total Industrial Production, 1967 = 100 Seasonally Adjusted

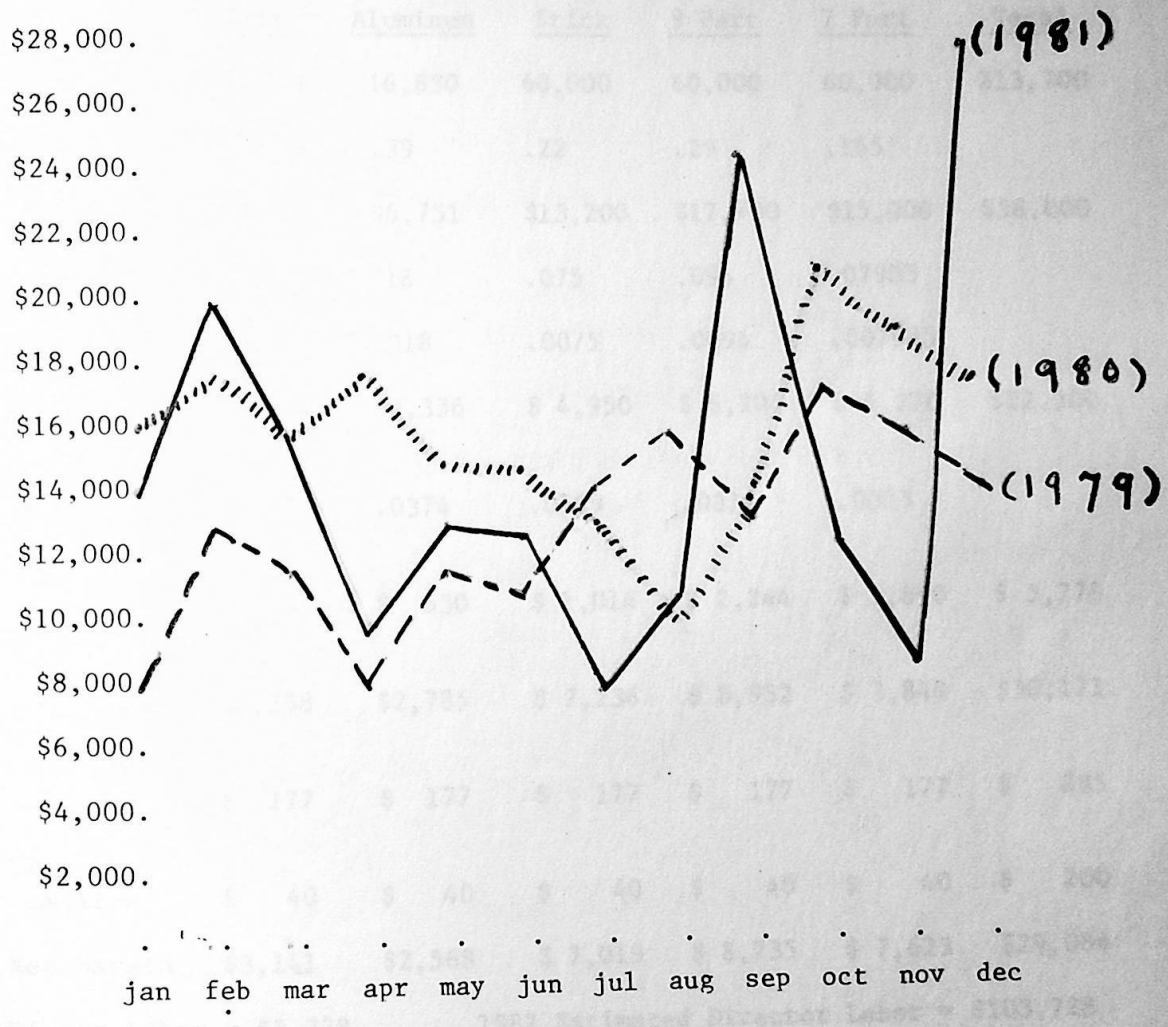


Source: Federal Reserve Board

Workshop Production



APPENDIX E



THE KENNEDY CENTER'S MONTHLY GROSS SALES FIGURES

OVER THREE YEARS

Appendix F

Pen Line Cost Matrix

	Marker	Aluminum	Stick	9 Part	7 Part	Total
Quantity	16,850	16,850	60,000	60,000	60,000	213,700
Unit S.P.	.35	.39	.22	.29	.165	
Gross	$5,897	$6,751	$13,200	$17,400	$15,000	$58,000
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Direct Labor = $5,778 1982 Estimated Director Labor = $103,728
= 5.5%

Therefore, this should represent 5.5% of our Total Director Labor Cost and in turn 5.5% of our Production Capacity.

Appendix II

ORGANIZING FOR MARKETING PLANNING[1]

STEP 1: APPOINT COORDINATOR

STEP 2: SELECT CONSULTANT IF APPROPRIATE

STEP 3: GROUP MEETING I PLANNING MEETING

1. Discuss the planning process.
2. Discuss/establish/review objectives and goals.
3. Initially define and segment present businesses/product categories.
4. Discuss the kinds of data needed to evaluate each area (internally and externally).
5. Assign responsibility for preparing data for next meeting.

STEP 4: DATA DEVELOPMENT

A. MAJOR CATEGORIES
EXTERNAL DATA

1. Environmental
2. Market conditions
3. Customers
4. Noncustomers
5. Channel(s)
6. Competitive

Consulting and research input may be appropriate

B. MAJOR CATEGORIES
INTERNAL DATA

1. Financial
2. Operating
3. Competitive
4. Environmental assumptions
5. Forecasts
6. Organizations

APPENDIX II

1. Excerpted from an article, "Organizing for Marketing Planning," by Ron Paul, President, Technomic Consultants, which appeared in S&MM magazine.

Appendix II (Continued)

STEP 5: GROUP MEETING II SITUATION ANALYSIS MEETING

1. Agree and refine the segmentation of the present businesses/ product categories.
2. Review internal and external data, including customer, noncustomer, competitive, financial, and operating data analysis.
3. Develop consensus regarding current strengths, limitations, and potential opportunities.
4. Initially define, screen, and group alternative strategies which appear feasible for detailed consideration.
5. Make assignments to individuals to analyze each strategy prior to next group meeting.

STEP 6: STRATEGY ANALYSIS

STEP 7: GROUP MEETING III STRATEGIC REVIEW MEETING

1. Share results of each analysis performed on each strategy.
2. Review financial impact analysis of alternative strategies.
3. Develop management consensus regarding attractiveness and desirability of pursuing defined strategies.
4. Make refinements as appropriate.
5. Assign specific tasks to individuals in order to begin implementation process.

STEP 8: FOLLOW-UP ACTIVITIES

STEP 9: GROUP MEETING IV REVIEW AND MONITOR SESSION

1. Review highlights of previously agreed to strategy.
2. Review tasks and action programs agreed to in Group Meeting III.
3. Monitor progress toward goals of each individual.

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